

JPRS-NEA-90-008
31 JANUARY 1990



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JPRS Report

Near East & South Asia

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Near East & South Asia

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Islamic Development Bank Approves Project Financing

44000144 Jeddah ARAB NEWS
in English 14 Dec 89 p 2

[Article by Muhammad Ibrahim: "IDB Approves \$89.5m in New Aids"]

[Text] Jeddah, Dec 13—The Islamic Development Bank (IDB) has approved new provisions totalling \$89,581 million to finance development projects, technical assistances and foreign trade operations in a number of member states in addition to outright grants to some Muslim communities in non-member countries. Since the beginning of the current Hijra year (last August), the total finances approved by the bank for its member states have reached \$239.2 million.

The new finances were approved by the IDB's board of executive directors which concluded its 110th session here last night under the bank's President Dr Ahmad Muhammad 'Ali.

Following are the details of the operations and projects whose financing was approved by the executive directors:

Development Projects

The board approved the financing of five development projects to the tune of \$19.129 million which were as follows:

- About \$5 million for South Yemen to finance an integrated agricultural project to the north of Abyan province. The scheme will boost agricultural and animal production for the welfare of more than 150,000 people living there. The loan will be repaid in 25 years including a grace period of five years.
- A loan of \$4.9 million for Niger to expand a general hospital. Under the scheme, the hospital beds will be increased from 435 to 515 beds. The loan will be repaid in 25 years including a five-year grace period.
- A loan of \$4.4 million for Burkina Faso to finance a health project in the rural areas. Under the scheme, 20 health units and five medical centers will be built and furnished. The loan will be repaid in 25 years including a grace period of five years.
- A loan of \$5.146 million for Oman to construct a warehouse for foodstuff. The loan will be repaid in eight years including a grace period of 18 months.
- A sum of \$593,000 as additional equity participation in the capital of an iron and steel company in Malaysia to expand the production capacity of its mills. Since 1978, the IDB's contribution in the capital of the company has amounted to 20 percent.

Technical Assistances

The board approved two technical assistances amounting to \$443,000 including \$256,000 for Somalia to conduct a comprehensive study on the breeding of bees and \$187,000 for South Yemen to finance a study on water resources.

Special Assistances

The board approved six special assistances including non-refundable grants to Muslim communities in non-member states to the tune of \$11.09 million. They included:

- A loan of \$10 million to Turkey to finance the construction of 2,500 housing units for the Bulgarian Muslims who took refuge in Turkey fleeing from religious persecution. The loan will be repaid in 20 years including a grace period of five years. The IDB earlier provided Turkey with a non-refundable grant of \$5 million to assist the Bulgarian Muslims of Turkish origin.
- A grant of \$339,000 for the society of researches and studies (Islam and Development) in Senegal to finance the construction of an Islamic center which will also receive students from other Western African countries.
- A grant of \$40,000 to the Eritrean Education Department to purchase laboratory tools and equipment for a secondary school in Kassala (eastern Sudan) which provides high secondary school education for Eritrean refugees.
- A grant of \$295,000 for the Islamic Center in Boston (USA) to build a school for Muslim students there.
- A grant of \$225,000 for Dar Al-Salam Educational Endowment in Hyderabad, India, to build a hostel for the female nurses of the Deccan College of Medical Sciences which is the only medical college for Muslims in that area.
- A grant of \$120,000 to contribute to the construction of a technical training institute and a girl students hostel in Kamptee, near Nagpur in India. The two grants for the Indian Muslims were part of a five-year \$30-million-program the IDB had earlier approved for them.

Foreign Trade Operations

- The board of executive directors approved the financing of eight foreign trade operations to the tune of \$59 million. They were:
- Imports of phosphate to Algeria from Tunisia amounting to \$1.7 million.
- Imports of tires, rubber and lubricants in favor of Algeria amounting to \$7 million.
- Paper bags for Egypt from a member state to the tune of \$3.3 million.
- Spare parts amounting to \$2 million for Egypt from a member country.
- Crude oil for Morocco from Saudi Arabia amounting to \$10 million.
- Palm oil for Pakistan from Malaysia to the tune of \$16 million.
- Crude Oil for Jordan from Saudi Arabia amounting to \$15 million.
- Fertilizers for Cameroon from a member state amounting to \$5 million.

REGIONAL AFFAIRS

Israeli Plans for Gulf Activity Detailed

44000178 [Editorial Report] London AL-DUSTUR in Arabic of 1 Jan 90 p 4 and Cairo AL-WAFD in Arabic of 28 Dec 89 p 4 carried articles on Israeli activities that would affect the Gulf region.

Both AL-WAFD and AL-DUSTUR report that Israel is trying to purchase two T209 long-range, diesel submarines from West Germany. The Israeli navy is requesting that the Israeli firm Elta be allowed to develop electronics systems for the submarines. The submarines are reported to be able to strike long-range targets and are capable of operating for a 45-day period without resupply or refueling. AL-DUSTUR notes that this means they could reach the Gulf area, threatening Iraq. AL-DUSTUR also adds that the submarines would be able to dive to a depth of at least 300 meters, making them inaccessible to magnetic detection methods.

AL-WAFD reports that Arab diplomats in Cairo are confirming an Israeli plan to obtain military facilities in Iranian ports on the Arab Gulf. According to the diplomats, secret contacts were carried out last month in Geneva between Reza Sanjabi, an Iranian intermediary, and representatives of the Israeli Government. The Israelis reportedly intend to strike Iraqi facilities on the eastern front by creating an Israeli naval presence in the Gulf.

PALESTINIAN AFFAIRS

Sha'th Assesses "Players'" Roles in Peace Process

90OL0154A London AL-MAJALLAH
in Arabic 12 Dec 89 p 15

[Interview with Dr. Nabil Sha'th: "Political Advisor to 'Arafat Reaffirms PLO's Right To Form Its Delegation: We Want Egypt as a Partner, Not Mediator"; first paragraph is AL-MAJALLAH introduction; date and place not specified]

[Text] All during the recent months, the shuttle movement between Cairo and the Palestinian leadership had a high tempo. During this period, the mass media talked about a request for clarification exchanged between the Palestinians and the American administration via the Egyptian government. AL-MAJALLAH met with one of the advisors of the Palestinian chief, Dr. Nabil Sha'th, and had the following interview on this issue's latest developments.

[AL-MAJALLAH] Ever since the American Secretary of State James Baker put forth his initiative concerning the Palestinian-Israeli dialogue, contacts and consultations have been going on nonstop. How far have these contacts gone?

[Sha'th] We are still making serious attempts to arrive at a formula to use as a basis for starting the dialogue which, in our opinion, is a preliminary step toward holding an international conference. All parties are now striving for peace except Israel.

[AL-MAJALLAH] Are you now satisfied with the American role?

[Sha'th] The Americans are trying to dislodge Israel's rejection of peace so that endeavors which, in our opinion, ought to lead to an international conference will not be halted.

[AL-MAJALLAH] You have stated that you are intent on peace and that you do not wish to discontinue the dialogue with America at a time when the PLO is being ignored?

[Sha'th] We are intent on not putting any obstacles in the way of peace. However, we have to have the right beginning which the PLO has outlined in clear points: that it select the delegation to meet with the Israelis, and that the dialogue be open and in stages. Otherwise, no real progress can be made. This, however, does not conflict with statements America has made time and again concerning its wishes and concerns. But the Americans are still listening to the Israeli obstructionist viewpoints that say no meeting, no international encounter, and no peace process.

[AL-MAJALLAH] Amid these givens, how are you dealing with the Baker plan?

[Sha'th] We want the dialogue, in phases, to enjoy international presence because we do not want to lose Europe and the Soviet Union as two partners who support the peace process. Their presence is essential through a framework in which international presence is part of a sequence that leads to other parts until we get to an international conference. America does not want to stop the dialogue with us and Egypt is interested in seeing it continue as well. However, it is still in the phase of clarification and clarification of the clarification. The important thing is to get to the real starting point of the step.

[AL-MAJALLAH] Is it likely that the PLO will select its delegates from inside and outside [the occupied territories] without making it public?

[Sha'th] It is very hard to imagine secrecy in a matter such as this one and that the PLO will absent itself. The delegation's selection is related to the form of announcement. There are several forms, but the key issue, that the PLO will form the delegation from inside and outside, cannot be concealed. As to how the formula is announced and the papers are exchanged is a matter open to debate and clarification. What is absolutely not open to debate, however, is the identity of the party that forms the delegation.

[AL-MAJALLAH] Do you believe that something positive will come out of this soon?

[Sha'th] It is very possible and we are ready to form the delegation from among all the Palestinians in the occupied territory. Any Palestinian professional or employee is a Palestinian struggler. The delegate's position in the PLO hierarchy is not important. What is important is that the delegation, formed from inside and outside, be representative of the Palestinian people. Furthermore, there are no final obstacles and the matter is still open to discussion.

[AL-MAJALLAH] Where do the Soviets stand on the phased and future peace process?

[Sha'th] The two key roles, in terms of effect, is the role of the intifadah [Palestinian uprising] and the Egyptian-European role. As for the Soviet role, it is very limited, not because the Soviets have backed off, but because, in light of major developments there, the Soviets have directed their interests to domestic issues first and to East Europe second. That is why we are not able to obtain the same quality and quantity of support we obtained under different circumstances, but we believe that this is only temporary.

[AL-MAJALLAH] Do you consider Egypt a party or a mediator?

[Sha'th] Egypt wants to separate itself from the role of mediator. As far as we are concerned, we do not see Egypt as a mediator. Indeed, in facing Israel and America, we want it to be our supporter that plays a diplomatic role in the quest for a just and peaceful settlement.

[AL-MAJALLAH] Are the Palestinians still betting on the Israeli government coalition breaking up and the Labor Party coming to power?

[Sha'th] When Rabin came to Cairo and went back to vote with his party against Shamir or the two Egyptian points, there was a great possibility that the coalition would break up. But it seems that the absence of adequate American pressure allowed the coalition to go on. Had America exerted enough real pressure during Israel's rejection of the 10 Egyptian points and perfunctory acceptance of the Baker initiative, the Labor Party would have had a real justification for demanding the dissolution of the coalition and for going back to the Israeli voter.

Sinyurah Analyzes Current Status of Intifadah

90OL0154B Nazareth AL-SINNARAH
in Arabic 8 Dec 89 p 7

[Interview with Hanna Sinyurah, editor of AL-FAJR newspaper: "Had the Uprising Occurred a Few Years Ago, the People Would Be Enjoying Freedom in an Independent Palestinian State"; date and place not specified]

[Text] [AL-SINNARAH] What is your assessment of the intifadah [uprising]?

[Sinyurah] All Palestinians feel that they are on the right track for getting rid of the occupation. Had the intifadah occurred a few years ago, the Palestinian people would be enjoying today their freedom in their state which is their being.

In the two years of the intifadah, our people have realized extremely important accomplishments. The first year was for crystallizing the political movement internally and externally and it was topped by the Algiers resolutions that declared independence and also declared coexistence in the two Palestinian and Israeli states. In the second year, the intifadah took deeper root throughout the occupied state of Palestine and made every effort to extend its hand, carrying an olive branch, the symbol of peace, as chief Yasir 'Arafat put it, calling on the brave in Israel to come to the negotiating table. These efforts were made in earnest and there were several initiatives and attempts, including the Palestinian initiative out of which grew several other plans, including Egyptian, Israeli, American, and European initiatives.

As we go into the third year of the intifadah, we aim to make more sacrifices and to intensify the intifadah in order to continue on this road toward negotiations between the enemies of today so that they may be the friends of tomorrow.

[AL-SINNARAH] When, in your opinion, will the Palestinian state become a reality?

[Sinyurah] The intifadah has proven that it is the only way to end the occupation and achieve self-reliance. The whole world is turning toward freedom, democracy, and independence. That is why no force on earth can stop the Palestinian people from attaining their hopes and independence. It is only a matter of time. The intifadah is the only mechanism that broke the stalemate and put the political situation in this area in motion. This will bring the occupation to an end so that the Palestinian people may gain their legitimate rights to self-determination.

[AL-SINNARAH] Were it not for the intifadah, this dynamism would not have transpired.

[Sinyurah] I am 100 percent sure that had it not been for the intifadah, we would not have had this politically-advanced situation. Without it, we would have succumbed to the deadly effects of political stagnation and inaction and continued occupation.

The battle is now over the final outcome: The Israeli government wants it to be an ossified autonomy and we, the Palestinians, want it to be independence, freedom, and a Palestinian state.

[AL-SINNARAH] There are those who believe in and are working toward stopping the intifadah.

[Sinyurah] There is no doubt whatsoever that the uprising will continue as long as the occupation is here. It is a set of continuous waves filled with determination to end the occupation of the Palestinian state.

[AL-SINNARAH] What scenario are you writing for the coming year or two?

[Sinyurah] The road to freedom will be arduous and certainly will not end in a few months. I am sure, however, that during the coming months, the first step toward official meetings between the two sides will be taken.

[AL-SINNARAH] Who will take part on the Israeli side [as published]?

[Sinyurah] There is a clear resolve that the PLO is the sole legitimate representative of the Palestinian people and is the only one able to appoint or authorize people to act in its behalf. This is the basis of a sound movement toward negotiations. Without the PLO's participation, there will not be a peaceful solution to the Palestinian question, one that is acceptable to all Palestinians. So far, no one has been named or mentioned as a member in the Palestinian delegation.

[AL-SINNARAH] Can anyone force Israel to accept that?

[Sinyurah] What we have seen in the last two years is that Israel has now begun to realize that there is no Arab option or a Jordanian option, but rather a Palestinian option. More effort and more work will convince Israel that the only Palestinian option is the PLO option.

[AL-SINNARAH] Do you believe that some Arab sides are trying to force on the PLO a negotiating solution it does not want?

[Sinyurah] I am sure that no one can force on the PLO any opinion, any personality, or any side to represent the Palestinians. The PLO is the only one authorized or able to appoint or to name people from outside or inside. No Palestinian will accept delegation from another party.

[AL-SINNARAH] But attempts are being made.

[Sinyurah] The attempts are not to apply pressure to name people, but rather to redraft some Palestinian answers. All the Arab parties say the PLO is the only party authorized to do that.

[AL-SINNARAH] What do you think about relations among the Palestinian factions in the occupied territories?

[Sinyurah] Disparate viewpoints notwithstanding, there is coordination among all national forces working for a specific goal at this phase, namely to bring an end to occupation. All are taking part in Palestinian national action and are well aware of this sensitive and serious phase. We are in a struggle to achieve freedom and independence, and concentrated efforts toward cooperation and solidarity among all parties ought to be made. I believe that solidarity does not exist in all movements.

[AL-SINNARAH] What impact do you think the uprising can have on leaders, preeminent personalities, and the Jewish people in Israel in general?

[Sinyurah] We are well aware that Palestinian action must concentrate first on Israeli public opinion because, if we are able to have an impact on the Israeli peace movements and political sectors that have accepted mutual recognition and the Palestinian people's right to self-determination, we will be able to change the Israeli government's policy. That is why concentrated efforts are being made by all Palestinian activists inside and outside to influence Israeli public opinion and to put its mind at ease regarding Palestinian intentions and the hand we have extended in peace and lasting diplomacy for coexistence before the two states.

[AL-SINNARAH] Have these efforts borne any fruit?

[Sinyurah] I am sure that all parties who want a lasting solution to the Palestinian question are working in this direction. However, there is a countermovement by Jewish rightist parties aimed at blocking mutual understanding between the two peoples. I am sure, however, that coexistence is the only way for the future of all peoples in the region, including the Palestinian and the Israeli people, a future built on a just and lasting peace.

[AL-SINNARAH] What do you think of the contribution the Palestinian Arab Israeli citizens are making to the intifadah? Have they contributed enough or can they contribute more?

[Sinyurah] We appreciate the circumstances of our Palestinian brothers living in the state of Israel. We realize how much moral, material, and political efforts they are making to support the Palestinian people's just cause. We would like these efforts to continue and to intensify and we hope for continued cooperation to end the occupation.

[AL-SINNARAH] Is it possible that the Palestinian delegation might include a Palestinian from Israel? We raise this question because some people have talked about that, or are pushing their names to be exact. Has this subject actually been discussed?

[Sinyurah] This is not something to be discussed at this time. We know that the PLO represents all the Palestinian people and is seriously looking into the Palestinian people's status wherever they may be. We want a solution based on the two-state principle. Negotiations may demonstrate a need for advisors who understand the Israeli nature.

[AL-SINNARAH] The brothers in the occupied territories do not have a good understanding of the situation?

[Sinyurah] I am certain that after 22 years of occupation we understand the Israeli situation as well as our brothers inside.

[AL-SINNARAH] Does the widely-publicized viewpoint of the Palestinian Arabs inside Israel, that the PLO does not represent them as Israeli citizens, conflict with what you said a moment ago?

[Sinyurah] This does not conflict with what I said. Palestinians inside the green line have a special situation. We respect their feelings and know that they support the establishment of a Palestinian state and are working toward this end. A Palestinian state is for all Palestinians, but the most important thing we shall focus on now is ending the occupation. Other things may be dealt with only during negotiations between the Israeli and Palestinian sides.

[AL-SINNARAH] I understand from what you say that the same thing applies to all Palestinians throughout the world.

[Sinyurah] When the Palestinian state is established, every Palestinian in any corner of the world will have the right to live in it and to obtain citizenship and a Palestinian identity card. It will be a personal choice.

[AL-SINNARAH] Let us not forget that, with respect to us, we are living in our land in Galilee, the Triangle, and the Negev.

[Sinyurah] Of course, I am speaking in general terms and the situation is very clear to us.

[AL-SINNARAH] What do you think about the liquidation of collaborators?

[Sinyurah] All Palestinian parties inside and outside clearly believe that the principle of liquidation is unacceptable. We want all those who have slipped to return to the national rank and repent of their previous actions. This is what has been publicized by appeals from inside and outside and we believe that most of these people are recanting and returning to the Palestinian fold.

[AL-SINNARAH] Have innocent people been liquidated by mistake?

[Sinyurah] All states have suffered from such incidents: turncoats have been brought to trial. We want to be more civilized than all the other people who came before us and I am sure that the Jewish movement experienced incidents such as these.

[AL-SINNARAH] But did innocent people lose their lives?

[Sinyurah] In all fields of resistance against occupation, in all actions to establish identity, with any occupied people, there are excesses. We are no different from all these peoples and we have had excesses within our society.

ALGERIA

Follow-Up of Reform Plans Seen Essential to Success

90OA0229A Algiers *REVOLUTION AFRICAINE*
in French 15 Dec 89 p 19

[Article by Mohamed Saidani: "After the Congress"]

[Text] In the final analysis, did the FLN [National Liberation Front] congress merit the tag "extraordinary"? In other words, did it live up to the hopes, nourished over long months, of reform and recovery built on a solid, durable foundation? The congress hit a few false notes, but it had its high points, too. Opinion is divided on the results, proof, moreover, of the plurality of expression that characterizes Algerian society today. Among FLN party members alone, some see the congress as a rallying of forces—both old and new—around the Front, which must, in addition to ensuring the continuity of its mission, foster the changes made necessary by a combination of political, economic, social, and cultural factors. In their eyes, the congress was a matter of recalling the troops. Also, by rejecting any notion of exclusion, marginalization, sterile dogmatism or verbal oneupmanship and by breaking with past practices, it strengthened the party. The rest are much less enthusiastic. They fear that the clearly defined factions within the expanded Central Committee (it is twice as large) may contain the seeds of an "internal crisis"—of possible discord among party leadership, or at least a lack of homogeneity—that could allow the resurgence of "apparatuses." Past experience has shown all the negative consequences that these would have on the future of a political party whose aspiration—a legitimate one—is not only to lead the country but also, first and foremost, to see to the implementation of reforms and to establish a true democracy that serves the people and, thus, the entire nation.

Weighing both sides, we incline towards measured, even cautious optimism. It must be said that the congress, which was to clarify and settle certain questions, has raised a few others. First, we note that, according to the document distributed at the "dome," of the FLN's 577,411 registered members, only 5.53 percent, or 31,949, have a college education. Does this percentage reflect the national distribution? Is it normal in a party that, from 1962 to, officially, early 1989, was the only game in town? The same is true of the former organizations of the masses and current people's organizations, in which the number of registered members, even among former moudjahidine, is far from satisfactory. Nevertheless, it must be admitted that, for the first time, there was complete openness. Reporters were not only given full access to these figures but were also unhesitatingly allowed to attend congressional proceedings.

All observers agree that democracy reigned throughout the congress. The spirit of reform finally made it possible to achieve greater freedom, in the name of which all the old committee members, in particular the old members

of party leadership, were allowed to speak fully—an edifying response through action to the supporters of monolithism. However, if democratic rule is a medal, it has a flip side that we must also accept. We had hoped that this congress, which was attended by almost 5,000 people from all over the country, representing various social and professional categories, would produce a calm, open, in-depth discussion of what should have constituted the major axis: the FLN program and statutes. To our great surprise, the fourth item on the agenda was the only one to arouse passions. From the outset, attention focused on election of the new Central Committee. Neither the composition of the other committees nor (later) the reading of the resolutions incited the sustained interest given the future composition of the Central Committee. Participants from each wilaya, institution, people's organization, and labor or professional union were to elect their respective representatives, generally from a large number of candidates. Only in the final hour of 30 November, when the main committee's report was given and the list of the new Central Committee members read, was there religious silence, punctuated by applause at the calling of various names. Were the great majority of those in attendance only there to elect new leadership? Did they think that the discussion of matters of substance had been exhausted at the "precongress," after which it was up to the committees to come up with the final synthesis? There is also little to be said of the reports from the regional meetings, except that their wooden language (still with us despite everything) occasionally went so far as to incorporate FIS [Islamic Salvation Front] and apprentice Ba'athist slogans. How paradoxical for a revolutionary party that, in the light of its long, rich, and glorious history, had not the slightest need to question the validity of its principles, much less to show feelings of inferiority vis-a-vis other groups, in any area whatsoever, even religion! One of the false notes was the similarity of the regional reports. How can a report from Tiaret be identical in all respects to one from Algiers, or a report from Oran to one from Tamanghest, when the local conditions and the economic and social problems are not? Given the specificities of each region, it would have been better advised and more in keeping with reality if the reports had been complementary.

The general debate, which allowed several former members of party leadership to take the floor, had the merit of breaking the pervasive monotony. While the "superstars" used a new, polished vocabulary to "plead their cause," their political message was hardly forward looking. They granted themselves forgiveness and more or less took back the torch with consummate oratory skill, but, for all that, they did not break with the past. Now is not the time for accusations, but who then is responsible for the current state of the nation? Why did October happen? Was the economic crisis, which has, moreover, not spared the FLN, simply a matter of fate? Words, words, words: the true ills are damning. "The responsibility is collective," they said. The discussion

would have been more substantial had it revolved principally around solutions to current problems, concrete ways to implement the much mouthed socialist option, and analytic, future oriented approaches to an effective development strategy. Yet Mr Mehri's report bluntly stated: "We have not been able to remedy and correct in time deviations and mistakes resulting from inexperience and centralized decisionmaking." Theoretically, the discussion should have taken this statement as a point of departure. The tone had been set. Moreover, the usefulness of self-criticism lies in finding other applicable, effective, and thus realistic methods. Self-reliance cannot be an empty slogan. It calls for a broad, real mechanism and real efforts. Similarly, social justice cannot be limited to campaign promises. It remains a goal to be obtained for the benefit of the low-income individuals. Thinking that free medical care, subsidized housing or college scholarships benefit the millionaire as much as the minimum wage earner is absurd. Administrative corrections are needed, and a precise definition must be formulated for the term "gains."

As the party representing the masses, the FLN has a duty to defend them and to watch over their interests. Therein lies its vocation and its political identity. As has been pointed out, the resolutions adopted by the extraordinary congress reflect that duty. A program was worked out and adopted unanimously on 30 November. What now remains is to implement it and to show that the party has overcome its own difficulties; that it is not afraid to get its feet wet and is instead open to dialogue and to all tribunals; that it really is the driving force behind the reforms, without which there is no democratic alternative; and that it is a rallying force and is in touch with the young. It is up to the Central Committee, which must elect a Political Committee and a secretary general, to confirm this revival and to become once again truly militant. In the words of President Chadli Bendjedid, who, without any demagoguery, has been the vehicle of change and the true architect of the success of the congress, this next phase "requires the FLN to close ranks and to mobilize in the field in order to consecrate its principles by its actions." Let us hope that it does.

[Editor's note] We are pleased that two reporters (Mr Bougataya and Mr Boussoussa) are members of the new Central Committee. We hope that they will be able to enhance the role and position of reporters and that they will be effective in promoting openness and democracy. However, in the name of openness, we must recall that, while the UJEI [expansion unknown] did have a quota of one, that union no longer exists. It would have been more judicious to have the gentlemen of the press in attendance at the congress, who, between directors, editors in chief, and old and new reporters, were sufficiently numerous, hold an election, even if it meant confirming the choice of Mr Boussoussa. Credibility is also a matter of procedure.

Regulation of Commercial Practices Urged

90OA0229C Algiers *REVOLUTION AFRICAINE*
in French 15 Dec 89 pp 22-23

[Article by Z. Gadoum: "Getting Out of Troubled Waters"; first paragraph is *REVOLUTION AFRICAINE* subhead]

[Text] Will the new measures regulate the marketplace more effectively? Time will tell. The good news is that we are no longer on the wrong track, persisting in our errors.

The state of the marketplace, the place where supply meets demand, varies with the state of the economy. During a period of growth and prosperity, the various agents in a society, whether they be persons or corporations, are able to satisfy their socially and historically determined needs under good conditions. Workers, and consumers in general, enjoy easy access to goods and services as a result of abundant supplies and affordable prices. On the strength of their sales volume companies can pay higher wages; hire new workers; invest more; acquire new, higher performance equipment; and improve and diversify production.

The government can levy the taxes its needs to carry out its different mandates (security, health, education, communications, etc.). During a period of economic crisis and scarcity, the demands of the various agents are either no longer met or are met only under certain restrictive conditions. For example, the worker who earns too little to satisfy his needs puts in overtime or works on the parallel market, endangering his health and security. The government may have trouble levying the taxes needed for government expenditures. During hard times, it may be forced to eliminate certain expenses and scale down certain development programs, and it may also raise certain taxes, create new taxes, and so forth. These problems are normally discussed during the debate over the budget.

The state of economic crisis generates all kinds of constraints and painful frustrations. This is especially true in our era, with modern communications media (movies, television, radio, various publications) broadcasting models of aggressively opulent lifestyles to the four corners of the world.

Comparison with the past and a certain remembered golden age can also make hard times feel harder. The causes of disequilibriums between supply and demand that impede the satisfaction of needs may be objective, that is, explainable in economic terms. They may also be artificial, that is, the result of certain illegal speculative practices.

Thus, a slightly insufficient supply at any given moment may become a chronic shortage through the actions of speculators anxious to make a fortune by any means. The participants in the day of study on market regulation and oversight (representatives of government and business, as well as professional associations and unions), whose motives are naturally very different, unanimously agreed

on the seriousness of market perturbations. Their statement on the principles and regulations governing market organization and oversight contains a particularly long list of failures. "Current failures are illustrated by:

- Unacceptable products that are sometimes not fit for use, resulting in damage and waste.
- Prices that bear no obvious relationship to the quality of the goods or services offered.
- Illegal price increases.
- Various illegal practices: withholding of merchandise, favoritism, hidden compensations for inequalities, duplicate sales, lack of invoicing, etc.
- Inoperative or inefficient distribution networks undermined by informal distribution channels."

If we are to correct this situation and restore the equilibrium between supply and demand, it is important that we estimate demand accurately and, as a result, realize the size of the role played by speculation in commercial practices.

A considerable share of what we consume comes from abroad. Our companies need large quantities of imported parts and raw materials in order to operate. We meet our needs through oil revenues, and the decline in oil revenues has made it difficult for supply to satisfy demand.

Because the government has to meet payments on the foreign debt, domestic production must be increased in order to replace what we cannot import.

The role of the planning office is to ensure the preservation of the major "economic equilibriums, and austerity measures should not exceed certain limits. However, planning forecasts of the extent to which it will be possible to meet social needs have proved inaccurate. There is a gap between projections and the "real world" experience of the peoples, because speculation and corruption interfere with market practices.

In theory, the fact that the most of the goods in circulation are channelled through public agencies should make it easier to control circulation by avoiding illegal skimming. In practice, it means more middlemen charging unwarranted fees on the products distributed without providing any useful service to users or consumers. Thus, we have unfortunate small shopkeepers chasing after merchandise, wasting precious time waiting in line, and returning to their shops emptyhanded. In a trade whose practitioners are supremely aware that time is money, more than a few are revolted by the practice of wholesalers merely delivering collection coupons. Are second- and third-hand sales any wonder then, especially when de facto monopolies cause unfair quota distributions?

According to the ministry officials responsible for trade organization, the new market organization and regulation methods consist of detecting the cause of failures and attacking problems where they occur instead of

penalizing the last link in the chain through blind repression. Unilateral administrative decisions will be replaced by dialogue and cooperation with the parties concerned by market regulation. This is certainly an appealing approach, but, although it is true that "light springs from discussion," a party that is seriously accused of illegal business practices is unlikely to deign to recognize easily the charges and accusations made against him. What do you do when each party claims the other is at fault? There is also talk of restoring competition, transparency, and contractual transactions by imposing defined relationships on the parties by means of a specific schedule of conditions.

This is all very well. However, we must remember that respect for the rules is possible only when there is a system of penalties. Application of the price law shows that the process of changing certain habits is not without its ups and downs. The dialogue required under these circumstances should clarify the rules and distinguish between good faith and guilty intentions.

The government is preparing to increase profit margins in order to avoid illegal price increases. These margins are said to go back to 1974. The hope is that higher profit margins can entice speculators to abandon the parasitic sector. If there is a cause for concern, it is that certain shopkeepers and workers whose income will not have increased at the same time will feel the pinch. In any event, one thing is certain. Speculators are most unlikely to be sensitive to arguments of morality. Perhaps it would be useful to look for solutions to the scourge of speculation based on a plans for a society that would not duplicate the "two-speed" economy behind so many disequilibriums and cruelties.

EGYPT

Article Decries U.S. Conditions on Alleged Plane Offer

90OA0197B Cairo AL-SHA'B in Arabic 12 Dec 89 p 4

[Article by Mahmud Bakri: "Pressures To Block Egypt's Acquisition of American Early-Warning Aircraft"]

[Text] In the last three weeks Israel has waged a massive campaign in various American circles against Egypt after the American administration informed Egypt of its agreement to supply it with early-warning aircraft. This was the framework of the visit Patricia Schroeder, chairperson of the House Defense Committee, made to Cairo where she was received by President Mubarak last Wednesday.

Israeli Foreign Minister Moshe Arens issued instructions to the Israeli ambassador to Washington to urge the Zionist lobby in the American administration to block congressional approval of this deal on the premise that its conclusion will upset the strategic balance in the region.

In this connection, reports indicate that the agreement to supply Egypt with this type of aircraft came on the heels of intensive meetings American Secretary of Defense Richard

Cheney held with his senior military advisors after the American army secretary returned from a visit to Egypt, during which he observed last month's "Bright Star" exercises held between American and Egyptian troops.

During talks he held with General Yusuf Sabri Abutalib in Cairo, the American army secretary expressed his country's readiness to go into joint production with the Egyptian government to manufacture the advance "Scissor" [as published] aircraft.

Even though the sources did not cite the motives that compelled the American army secretary to make this proposal, they thought it likely that America would ask Egypt at a later date to go along with it in certain security objectives pertaining to the American 6th Fleet in the Mediterranean, in addition to other objectives to be determined by the American administration in accordance with world developments.

The sources based this likelihood on the fact that, during these talks, the American secretary emphasized that final agreement to go into joint production of these planes was linked to stepped-up cooperation with Egypt.

In light of that, the sources point out that the American administration's decision to supply Egypt with this type of early-warning aircraft is aimed at paving the way for the passage of the proposal the American army secretary made to Egyptian officials which called for drawing up a joint program for military cooperation between Egypt and the United States for 1990 as a fruitful product of the Egyptian-American memorandum-of-understanding program.

Based on what the sources said, Egypt will refuse to take part in any American security plans in the region and the Egyptian position will be officially defined in the wake of the American reply to the inquiry Egypt has submitted to the American secretary asking for further clarification on the secretary's proposal.

Meanwhile, the visit the chairperson of the House Defense Committee made under Zionist pressure was aimed at obtaining guarantees from Egypt to use the early-warning aircraft only in cases of dire necessity. In her meeting with President Mubarak, the American official wondered about Egypt's actual need for this aircraft and whether this matter would upset the strategic military balance among the countries of the region. She noted that this type of aircraft is highly advanced and that congressional approval to give it to Egypt would have to be based on specific precepts which she outlined, as follows:

- These aircraft shall be used only in cases of direct raids on Egyptian borders.
- Egypt shall not employ this type of aircraft for the benefit of another Arab country or for the benefit of military objectives that pose a threat to the security of neighboring countries (Israel).

President Mubarak made it clear to the American official that Egypt would reject all preconditions on the use of these planes, pointing out that the decision in this regard must be left to the Egyptian government. He also pointed out that Egypt has several types of early warning aircraft, and that this was not the first time that the American administration had agreed to give Egypt early-warning aircraft. He emphasized that Egypt had no intention of directing these planes to aggressive purposes and that their acquisition is aimed at developing the military capabilities of the Egyptian armed forces.

Sidqi, Others Discuss Threats to Egypt in 1990's
90OA0197A Cairo AKHIR SA'AH
in Arabic 13 Dec 89 p 7

[Article by Zakariya Abu-Harram: "Egypt's Challenge in the 90's: Debt, Unemployment Growth; Scientific Advancement Steers Development"]

[Excerpts] [Passage omitted]

The scientific conference on Egypt and the challenges of the 90's held by the Research and Political Studies Center at the beginning of this week derives its importance from the fact that it was held amid new international circumstances, conditions, and changes, be they on the regional or international levels. For East Europe is undergoing radical transformations, and expectations and predictions are that the next decade will be an era of solving and settling regional conflicts. There is also man's struggle with the environment which has begun to take priority over the social struggle and various power struggles. [passage omitted]

The prime minister identified the challenges facing Egypt and its concern with numerous issues led on on the domestic front by growth and development matters with their political, economic, and societal aspects, and by security matters surrounding us and, on the foreign front, by the Palestinian issue, the Lebanese crisis and our relations with Sudan and the Arab countries, issues that are in the forefront of matters that are the subject of debate and daily interest in the Egyptian decisionmaking process.

About population growth, the prime minister said that the current growth rate of 2.8 million a year calls for concerted efforts to confront it. Dr. 'Atif Sidqi also raised the question of the debt which he said is causing Egypt and other countries of the world to lose sleep over it. [passage omitted]

Current Economic Difficulties

Dr. 'Uthman Muhammad 'Uthman, professor of economics at the National Planning Institute, outlined the features of the economic era Egypt has been experiencing since the mid-80's in three points: the inflation crisis, the unemployment crisis, and the debt crisis. [passage omitted]

Concerning the economic situation in the future, he said, "There are two options. First, the continuation of disorder and current problems which will grow in complexity. The second is the economic policies' success in halting the rates of decline in economic performance, which means that Egypt will have to live with its economic troubles for several more years to come. Accordingly, the economic reform program must be viewed not as a series of separate partial measures, but rather as an all-inclusive plan able to secure the integration of the various facets of reform."

The Egyptian economy and the development challenges in the 90's were the subject of a research study prepared by Dr. Muna al-Baradi'i, professor of economics at the College of Economics and Political Science. The study said that development faces a number of problems, first of which is the population question, and finds fault with the adage that population growth is responsible for backwardness. It calls for a reexamination of the relationship between the population factor and the maldistribution, not the dearth, of resources in Egypt.

The second problem is water and agricultural development. The study points to the misuse of Egypt's water resources, one-third of which is lost annually, and deals with the matter of misallocation of resources in the agricultural sector. This is due to the lack of a clear purpose and a universal vision. Witness, for example, the contradiction between production for local consumption and production for export.

The third problem facing development in Egypt is energy, be it in terms of overall planning or planning at the sector level, for planning for each of the energy resources is done in isolation of other resources.

The fourth problem is technology. There is something wrong with the lateral transfer of technology without consideration for the social and economic dimensions.

Dr. Ahmad Abu-Isma'il, former minister of finance, commented on these two research studies by saying that estimates show that Egyptian bank deposits amount to \$14 billion while Egyptian savings abroad total \$100 billion. He wondered how confidence and trust can be instituted so that this money may be deposited in Egypt to help turn the wheel of development and contribute to economic reform.

Three Important Challenges

In its intellectual evening seminars, the conference presented three lectures. Dr. Ahmad Kamal Abu-al-Majid, former minister of information, gave the first talk. He picked three challenges facing Egypt in the next decade: development, security, and foreign policy.

About development, he said that the economic problem is represented by the size of debts, unemployment, and inflation. About democracy, he said that Egypt is going through a party experience with calm opposition and there is fear that a party will exceed the proper bounds because we are a peaceful people.

About foreign policy, he said that Egypt has two roles to play in the Arab region: a pioneering and activist role and a stabilization role.

On the second evening, Dr. Muhammad Sid Ahmad gave a talk in which he said that the issue facing Egypt in the 90's is that of abundance and shortage. There is an abundance of desert, people, and unemployment, and a shortage of arable land and water resources.

The last lecture was given by the well-known author-journalist Ahmad Baha'al-Din who outlined his vision for the coming decade by saying that scientific advancement is what steers development, and that Egypt is going through a multi-party experience and not democracy. He emphasized that the Third World will pay for events in East Europe and underscored that in order to have progress in Egypt, there has to be a measure of harmony, which means that there has to be a general agreement on a set of values. For we are a society that is in a state of a values struggle which is the greatest obstacle in the way of any progress.

Columnist Supports Increased Food Imports

90OA0199B Cairo AL-AHRAR in Arabic 27 Nov 89 p 8

[Article by Wahid Ghazi]

[Text] Rice, sugar, oil, and flour—basic foodstuffs that every home now lacks. And in Egypt there is a ministry for agriculture and another for supply and internal trade, and consumer complexes occupy huge areas in every street and every neighborhood, their shelves bare except for some boxes of cheese and bags of rotten oranges inside a plastic window. As for meat, chicken, and eggs—you have to stand in line! Dozens of new complexes are opened amidst a rush of announcements and statements about the abundance of everything, but after the ribbon is cut, everything disappears! We now celebrate the Day of the Child, but a child who dances and sings on television on that occasion returns to a home where there is not a grain of rice or a spoonful of sugar!

Dozens of importers are ready to import rice, sugar, oil, flour, and all other foodstuffs and put them on the market after paying the tariffs. The state needs the tariff money, while millions of consumers hope to find these foodstuffs on the market at any cost, but the judicious government does not have the compassion to import these goods, nor does it allow the mercy of our Lord to descend by allowing the importers to import them. Rather the judicious government—surprisingly—does not want to admit that there is a shortage of foodstuffs, as if the consumers were making it up when they

complained of a shortage of these goods, while their homes were full to overflowing.

Our judicious government holds all the keys in its pocket. It does not want to open the locked doors in its failed public sector, nor does it want others in the private sector to open them. It follows the example of Imam Ahmad, the imam of the Yemen, God have mercy on him, in the administration of the affairs of the country. He used to hold in his pocket all the keys, beginning with the keys to the coffee grinder so that a guest would not be offered a cup of coffee without his orders, and ending with the keys to the warplanes so that a revolution would not rise against him. But in spite of that, a revolution did arise, and the keys were still in the imam's pocket!

Reports Show Price Rises, Worsening Shortages

90OA0232A Cairo AL-SHA'B in Arabic 2 Jan 90 p 3

[Article by 'Ali al-Qumash: "New Bread From Plants for Fodder Cooking Oil Is Used for Shoe Polish"]

[Text] Let's begin with the Supply and Economy reports about price increases and the awful shortage of foodstuffs, which are indispensable to any citizen. During the past decade, the shortfall in self-sufficiency in wheat has reached 78 percent, lentils 80 percent, oil 80 percent, maize 30 percent, and meat 25 percent, in addition to the shortage of rice, sugar, etc.

The price of bread, which the family must have thrice daily, has doubled in the last 10 years, and its name has been changed every time to absorb the anger of the masses—from ordinary to average to improved to fully conforming. There have likewise been precisely seven official prices for bread and tobacco and wine and sweets and houses.

[The price of] a loaf of bread has risen from 1 piaster in 1980 to 5 piasters in 1989 and types have appeared for 10 piasters under the name "the super loaf". Were the same rate to continue for the next 10 years, the price of a loaf would become 50 piasters or more.

Statistics confirm that our production of wheat has reached only 22 percent; that is, we are importing four of every five loaves.

The government's reports confirm that the bread type must change in the year 2000 with the production of a type manufactured from cassava plants, which are plants grown in the desert and used as fodder for animals. This bread will begin being produced next March.

The availability of rice, which is the second substitute for bread, has become a dream in the past decade. It has become the most famous commodity on the black market, since its price has reached 140 piasters per kilo after not exceeding 120 piasters per kilo in 1980. Perhaps what happened this year gives us a true indication of what will happen if the situation continues as is. The Ministry of Supply has decided to stop distributing it on

the [ration] card to the villagers and to impose a penalty of imprisonment and fines for transporting and smuggling it.

The third substitute is macaroni, of which transitory, speculative types have appeared, and the prices of them have doubled so that they have gone from an average of 12 piasters per kilo in 1980 to 2 Egyptian pounds this year—a rate of more than 1000 percent.

The price of lentils, which are considered to be among the most important popular foods, has reached 3 Egyptian pounds, that is, a 20-fold increase over 1980. If its price continues to rise at the same rate, after 10 years it will reach about 10 Egyptian pounds per kilo.

Ministry of Economy reports have stated that our production in 1989 reached approximately 21,000 tons while the Chamber of Commerce stated that the market needs 100,000 tons. The Ministry of Economy's decision to restrict importation to the public sector was the reason for the rise in the price of lentils to \$300 per ton, that is an over-all loss of \$12 million as a result of the commissions, delaying importation and the continuing rise in prices, which is what happened to broad beans and green beans and other types of legumes.

The shortfall in the local production of meat has reached 25 percent, and 150,000 tons were imported last year. Fish imports were 120,000 tons, in addition to 5,000 tons of imported poultry. From 1980 to 1989 the price of a kilo of meat rose from 3 Egyptian pounds to 10 Egyptian pounds, fish from an average of 1 Egyptian pound per kilo to an average of 5 Egyptian pounds, and poultry from an average of 130 piasters to 380 piasters. If the situation continues, we will be threatened with a protein disaster, especially if we add milk products and eggs.

The average price of eggs in 1980 was 5 piasters, and with the end of the past decade the average price has become 18 piasters. As for milk products, the monthly report of the Chamber of Commerce observed that for the period from February to August 1989, only prices of all types of cheese increased by an average of 22 percent and the price of processed butter rose by 32 percent, especially after the price of the customs dollar rose to the exchange market price. The average price per kilo of cheese in 1980 was 1 Egyptian pound, and it is now an average of 4.5 Egyptian pounds.

As concerns ration card commodities, the oil crisis has intensified in recent years. The free price of a kilo of oil which in 1980 was at 30 piasters has now reached 235 piasters. Faced with stagnation in quantities and fearing the end of the era of effectiveness, the Minister of Supply retreated for the first time in reducing the price of his commodities since it stabilized at 180 piasters per kilo, which is 6 times the 1980 price, and if the situation continued it would reach 5 Egyptian pounds by the year 2000. However the state intervened to save the situation from killing the Egyptian people, inasmuch as agreement was reached on producing 80,000 feddans of *al-shaljam*

oil [as published], despite the announcement of the World Health and Food Organization about the dangers of it and its causing heart, liver, and kidney diseases because of the presence of *airusik* [as published]. Besides, they are using it in America to make shoe polish and wall paint.

The price of a kilo of sugar, which in 1980 was 25 piasters, is now 1 Egyptian pound, its price having jumped three times within the last year alone. The prices of complementary commodities, which have become a necessity in every house and pervasive in every industry, have also ignited.

The price of wood has risen from 100 Egyptian pounds per ton in 1980 to 800 Egyptian pounds in 1989, iron from 200 Egyptian pounds to more than 1000 Egyptian pounds and cement from 30 to 120 Egyptian pounds.

The prices of the popular types of cloth which are distributed on the cards have risen greatly. Castor was selling in 1980 for 15 piasters and calico and dammur at a price of 20 piasters, and the free price of castor was 35 piasters. With the end of this decade, their price reached more than 2 Egyptian pounds. In the area of ready-made clothing, the public and private sectors are equal. Clothing is in the realm of luxury goods.

As for the prices of services, the support has finally been raised and they have come to be at the price of cost computation and profits, despite the declarations of the officials. The cost of telephone installation in 1980 was only 20 Egyptian pounds; in 1989 it reached 530 Egyptian pounds. At this rate, it will cost 2000 Egyptian pounds by the year 2000.

In the field of communications, the price of a public transport bus ticket has gone up five times, from 2 piasters to 10 piasters, in addition to the fact that the buses have introduced special fares which did not exist before. Likewise, the fares of riders of provincial busses has increased, followed by an increase in the price of train tickets by 100 percent on the pretext that service has improved while concealing the real reason, which is the loss of 329 Egyptian pounds as a result of excesses in providing for the directors, the secretariat, and the police.

The field of instruction has joined the ride of crazy prices and exemption from fees has become a memory. In 1980 tuition charges were 8 Egyptian pounds at most in the various stages of training. Now, compulsory contributions have been included as part of the expenses which must be paid without exception. The charges for the primary stage have reached 14 piasters, the intermediate stage 22.60 piasters, the secondary stage 47.30 piasters, and the technical stage 46.20 piasters.

The other services, such as electricity and water, are almost without bases for comparison, for the electric bill has become higher than the rent. Lately, the insanity of prices has gone so far as to threaten the health of the people, for the prices of medicine rose at a rate of 18

times in the period from 1980 to 1989, that is, at a rate of twice a year. The increases even included heart and diabetes medicine, and things reached the point of the disgrace of seizing medicine hidden to sell on the black market. Investment companies sprang up which raised the prices of medicine on various pretexts, including changing the name without changing the composition and changing the package by reducing the quantity. The citizen's burdens increased, and the chain of rising prices in the 1990s continues because of the foodstuff and production gap existing between what we import and what we consume, to which the random policies pursued by the governments of the 1980s have driven us, in addition to the government's surrendering, to the demands of the International Monetary Fund to raise prices.

We hope that the 1990s will see a stage of awakening for national resolve which will formulate real agricultural, industrial, educational, and health policies compatible with the interest of the people and their true abilities and encourage by deed, not word, the hidden power and the burning desires within the souls of Egyptian youth to cultivate the Egyptian desert, as well as effecting a tangible change in the map of the distribution of population in Egypt.

AL-NUR Criticizes YMMA Dancing, Singing

90OA0199A Cairo AL-NUR in Arabic 6 Dec 89 p 2

[Text] Since its foundation, the Young Men's Muslim Associations [YMMA] in Egypt has been one of the Islamic organizations that have continued to play a successful role throughout Egypt and the Islamic world, since it has spread its branches around the country, guiding youth in education, reform, and manners. But recently it has experienced circumstances which caused authorized parties to get involved and issue decisions regarding it. What is the nature of these circumstances? And to what extent have they affected its course and its mission? And what is the situation of the YMMA now?

At the general headquarters of the YMMA, Khalid Qutb, member of the general assembly, said that religious activity in the YMMA has become extremely weak and limited only to occasions such as the celebration of the Prophet's birthday or the Hijri newyear. He stated that the reason for all that was the sharp differences between the members and the general leadership, and the branch associations in the governorates, which in turn have had a serious effect on the activity of the associations, such that they concentrate now on what the cultural club offers in the way of teaching music to children and rhythmic dance, which is incompatible with Islam and the mission of the YMMA; moreover, auditoriums of the associations are rented to certain theatrical groups.

The member asked: "Is our task now to teach dance and music, or to plant Islamic values in the souls of children and youth?"

Personal Differences

Faruq al-Sayyid, member of the board of directors, added: "A short while ago a club was established for children for memorizing the Qur'an, but the activity of the association is currently limited to athletics, to the degree that often when officials in the general headquarters announce that a symposium, lecture, or religious meeting is to be held, when the time comes, they announce that it has been cancelled for reasons not understood."

Abu-al-Hadid Salam, a community member, stated that the YMMA suffers from serious stagnation because of personal conflicts and interests among the leadership of the general headquarters, which have resulted in the violation of the regular rules for the jurisdictions and the involvement of the Ministry of Social Affairs to stop the formation of the council.

The General Headquarters

This conflict among the leadership broke out about two years ago through personal motives and loopholes in the rules, and it fundamentally affected the activity of the associations and the general headquarters. These leaders forgot the associations' first [task], namely religious enlightenment of youth in and outside of Egypt.

Occupying Free Time

In a meeting with officials, Jamal Khashabah, secretary general of the YMMA in Cairo, said: "The education of the young generation is not the task of the YMMA alone, rather the home and the school play a big role in education, and we complement that role. But it has become obvious in recent years that both the home and the school have failed to perform their mission, and thus we are now unable to perform our mission fully, so the people have accused us of failure. But in spite of that we wanted to occupy the free time of children and youth, so we organized athletic and musical activities for them and clubs which plant in youth spiritual values."

Jamal Khashabah added: "What is said about the association having rented its auditorium to some theatrical groups is nothing but a biased rumour whose purpose is to discredit and hurt the YMMA. If we did happen to rent to a theatrical group we would make the condition that the group adhere in its performances to Islamic behavior."

Four Goals

Counsellor Sa'd 'Abd-al-Wahid, secretary general of the general headquarters of the YMMA, explained that the association were founded almost 70 years ago and set out to achieve four goals, first of which was religious, then cultural, social, and finally athletic. Following this course they have continued to perform their mission successfully.

The counsellor added that the YMMA in Cairo is considered one of the oldest of the associations and that

it has a special place in the formation of the supreme council, in the leadership of which there has been a succession of personalities with standing at the local and international level.

But because of circumstances beyond the will of those in charge, problems occurred from which it has recently suffered, so it has gone through difficult times that have affected its activities in all fields, especially in the religious field, which represents its primary mission. That is a natural thing that faces any association or agency when a disagreement occurs between the members or between the association and the administrators. What happened in the YMMA is considered a difference of opinion and not personal disagreements, as some claim.

He confirmed that the general headquarters is currently trying to get the administration and the leaderships of the YMMA to cooperate to restore their course so that they will return to their former glory and continue their mission with success, and this hope will soon be realized, God willing.

But regarding the activity of the Muslim Youth abroad, the association is performing its mission in the best way possible. This year alone it held three highly important conferences, and the youth were successful at home and abroad in the field of religion.

Amending the Rule

In a meeting with Dr. Hasan 'Abbas Zaki, the general head of the YMMA, he said: "If the YMMA has ceased carry out its activity in the best way possible, that is because of differences of opinion. We ought to have held a meeting of the general assembly to elect the members and the supreme council, but we agreed to postpone it because we believed it was necessary to amend the rule first in accordance with advice from the general assembly three years ago. Therefore we asked the associations at the republic level to send their proposals and opinions regarding the rule to the general headquarters so as to facilitate the establishment of a new rule that would provide flexibility in carrying out activity and administration. The general headquarters has already begun to receive proposals, and in two months everything will be done, God willing, and this Islamic establishment will begin to carry out its activity to the full.

ISRAEL

Psychological Effects of Intifadah on Troops Viewed

44230070D Tel Aviv YEDI'OT AHARONOT
(Supplement) in Hebrew 8 Dec 89 pp 13, 15

[Article by Ariela Ringel-Hoffmann]

[Text] In the middle of last year, 18 months after the beginning of the intifadah, a combat field unit arrived in the territories. It was its first tour of duty in the West

Bank, and psychologists were attached to the various units to observe how soldiers adjusted to the environment. A few weeks after their arrival in Nabulus the troops were already showing excellent field orientation. They were familiar with the alleyways of the casbah, knew the streets of towns by name, were aware of the vulnerabilities and the points most likely to be involved in riots. They knew all there was to know about the groups of masked men active in the city. They had updated lists of suspects and, in addition to routine police duty, they engaged in searches for suspects on their list.

Within a very short period of time most soldiers managed to acquire basic vocabulary in Arabic, something like 100 words, and to speak useful phrases such as, who are you, where do you live, where are your friends, give me your identity card, come with me, put your hands up, get up, get down, open the door, army, and so forth. That was definitely sufficient for what they had to do in Nabulus.

As for care for individual soldiers, the psychologists found no employment. They soon discovered that the idea that the first encounter with service in the territories may prove problematic, was not correct, to say the least. The respective units were made up of soldiers from all over the country: leftist offspring of Shikun Bavli in Tel Aviv, kibbutzniks, young men from moshavs, development towns, good neighborhoods and less so, religious and secular. It was a typical Israeli cross-section of the population.

They adjusted very quickly to their duties, integrated within the system of masters and subjects, and showed no signs of distress, doubts, or inner pain, just as they showed no signs of pleasure or enthusiasm about their duties. During the few intimate talks they had among themselves, some of the things frequently said were: This is war by another name and, we are doing the work we are given.

One and one-half years after the onset of the intifadah, the phenomenon of the mixed-up soldier that characterized the beginning, at least as far as recruits were concerned, disappeared almost completely. We are using the word "almost" just to be on the safe side, although most of the soldiers interviewed for this article used the verb without hesitation. They didn't shoot and cry, beat up and cry, they just didn't cry. They were 18- to 20-year-old soldiers who related to the matter in professional terms, free of self-doubt.

The intifadah began on 9 December 1987. The first months were hard on the soldiers and on Israeli society. The scope of the uprising imposed extensive troop deployment in the territories. Soldiers fresh from basic training found themselves whittling wood clubs so they wouldn't break on prisoners' backs.

Events soon seeped through the Green Line and in February, only 3 months after the beginning of the uprising, in addition to items pouring in from Nabulus,

Gaza, and Jinin, professional estimates, references, and studies also began to make it into the headlines. The Israeli soldier was laid down on the psychiatric couch, and psychologists issued predictions, too, along with diagnoses.

Most of them talked of the psychological immunity of the Israeli soldier, but qualified that statement by adding, "for the time being." The view was that continued suppression of the intifadah will increase distress, confusion, and helplessness, violence and tolerance for violence, and tendencies to extremism; leftists will become more left wing, and rightists more right wing. Misconduct will become the norm. A "big chief" will become a "little chief." The authority and credibility of commanding officers will suffer and bottlenecks will appear in the chain of command. The Israeli soldier, they warned, may develop the "Vietnam syndrome."

Tasking the Army with police work was not an Israeli invention. The professional literature deals with the French in Algeria, the English in the Far East, and British soldiers in Ireland, not to mention extensive reports on what happened to U.S. soldiers in Vietnam.

The syndrome in question was characterized by a sharp decline in motivation and plummeting morale. Whole units used drugs and alcohol and became incapacitated. Another aspect of the syndrome was use of violence against commanding officers, which had been unknown in the U.S. Army before. One such manifestation of violence was what American soldiers called "frogging," tossing grenades between commanding officers' legs. The senior command didn't manage to pass on the message behind the war and had trouble convincing the troops that it had a good purpose.

The "Vietnam syndrome" on the one hand and the emergence of insensitive Israeli hobnail-booted soldiers on the other, alarmed the professionals.

A report was for the first time published in February, which later became known as the "psychologists' report." Prof Charlie Greenbaum and Dr Dan Braun, both psychologists on active reserve duty, studied the behavior of soldiers in the field and presented their conclusions to the Army. They later also disclosed their findings to the media.

That disclosure more or less coincided with the discovery of the Arabs buried at Kfar Salim. The two spoke of misconduct becoming the norm in the absence of real norms. Increased forces and an overloaded command system, they said, short-circuited the connection between intentions and actions. The Army functioned without an orderly doctrine, and that is why we had various interpretations of orders in the field. Aside from the undesirable social repercussions that the two anticipated, they also talked of a minority bound to develop psychological problems.

"Dear mother," one soldier wrote, "this is your broken son....I fear, mother, or more precisely, I am terrified,

that behind the infantry soldier's mask a demon is developing, and that I will pay with 1,000 nightmares for every child I beat up...."

Don't turn us into a police force, one soldier said in Gaza. If you're so tough, go to Lebanon, camp refugees yelled at NAHAL [Fighting Pioneering Youth] soldiers. And after the night of the bridges, they shouted: Qiryat Shemona are sons of whores. Once I belonged to the political center, one reservist said, now I belong to Ariq Sharon.

I was trained to fight enemies with weapons, some said, now I'm fighting against girls. One commanding officer said he ordered his men to beat up Arabs, but he himself turned his back.

One roadblock not far from 'Inbatah in the West Bank was manned by several armored corps recruits. It was the middle of summer in the first year of the intifadah. The commanding officer was a big, stony-faced young man. He calmly made people get out of car after car, stood them next to their vehicle and checked their papers at great length. When he finished checking, he threw the papers on the ground. The travelers would silently bend down to retrieve them. If anyone muttered anything, or if anyone just didn't find favor with the soldier, he kicked their behind and dropped them to the ground. There was no hatred in his eyes and he seemed to be under no pressure. He worked like that for several hours with absolute indifference. None of the other soldiers said anything to him, and the reserve officer who came later refused to interfere. It's not my business, he said.

A soldier's mother wrote: "I am the mother of a Giv'ati soldier who has learned from experience. Every time he comes home on 24-hour leave I do his laundry, then I lightly touch the swollen soles of his feet, his scratches, blisters, and infected sores, and I cry and my heart breaks. Because who can touch, my son, and who can soothe, my son, the wounds inside? Who will touch and who will dress, my son, your invisible wounds?"

An Israeli CBS photographer took a shot of four soldiers beating Arab prisoners with stones, and the whole country was horrified, more so since the soldiers were kibbutzniks.

The soldiers may lay the blame on the other side, said a female mental health officer in an interview, and decline responsibility for their actions, or they may internalize it and develop severe psychological problems.

The IDF [Israel Defense Force] Behavioral Sciences Department [BSD], psychologists, and other officers in the area were mentioned again and again as the source capable of solving the difficulties created by the intifadah for soldiers collectively and individually.

The Army has several mental health units. There are mental care officers, psychologists, and psychiatrists

belonging to the Medical Corps [HARAP], and there are psychologists belonging to the Manpower Branch and employed within the BSD.

Schematically put, BSD is in charge of conducting studies and devising solutions, which are then implemented by mental health officers [KABAN] and HARAP psychologists. Some of the BSD studies are based on data collected at infirmaries.

Most of the KABANs serving in the Army are social workers with psychological training. They serve on permanent bases and are attached to major units and basic training camps. They are the first echelon that handles soldiers in need of mental health care. The KABAN diagnoses the case and decides whether the soldier can be treated within the unit or needs to be sent to a regional infirmary.

Regional infirmaries are staffed mostly by psychologists. Particularly difficult cases are referred to the central infirmary at Tel HaShomer, which is staffed by psychologists and psychiatrists.

Most cases are treated at their units or at regional infirmaries, one professional stated.

Soldiers have a right to ask to see a KABAN. The law prescribes that every request by a soldier must be answered. Direct commanding officers or unit doctors can also refer soldiers to KABANs if they think the problem requires intervention by a mental health professional.

Dr Ron Levi, currently head psychologist of the Youth Immigration Department of the Jewish Agency, served as chief army psychologist, and later headed the mental health system. Ron Levi speaks in terms of an "umbrella"; to the system in charge of specific psychological problems he adds what he describes as a general support system: the medical system serving soldiers, women welfare officers, education officers, the center for promoting special populations [MAKAM], the military Rabbinate, female officers in charge of the wounded, the rehabilitation system, and women's corps officers.

"The whole system, which normally moves at a fairly slow pace, is completely mobilized in special situations. Mental health officers who normally handle one or two cases are all made available to the soldiers. The military Rabbinate, which normally handles current religious needs, may be required to take care of existential questions in difficult times. Female officers in charge of the wounded take over social work duties. And sometimes, slight improvements in conditions serve as safety valves to ease pressure."

According to Levi, at the head of the "umbrella" stands the commanding officer. "If by the end of 3 months it turns out that in a certain unit five soldiers didn't return from leave, three do not function, two have had discipline problems, and two were caught smoking hashish, it's a sign that something is seriously wrong. I would

guess that in such a case misconduct is most likely to occur, if it hasn't already. In such situations the entire system is called upon to seek solutions together with the commanding officer."

R.A. and Y.S. completed their basic training about 1 month ago. They belong to a good volunteer unit, one described in the military lexicon as an elite unit. The several months of basic training included short tours in the territories. They also did an educational stint in one of the special bases, at which they learned the rights and duties of an Israeli soldier.

[YEDI'OT AHARONOT] Among other rights, were you told about your right to ask to meet with a KABAN?

[Soldiers] "It was not mentioned at all, but I know that such an opportunity exists."

[YEDI'OT AHARONOT] How do you know that?

[Soldiers] "There were all these posters around the lecture hall. One of them dealt with mental health matters."

[YEDI'OT AHARONOT] Was the subject mentioned during basic training?

[Soldiers] "Not at our kind of basic training."

[YEDI'OT AHARONOT] Do you know of anyone who went to see a KABAN?

[Soldiers] "None of us would dare ask to see one. This is an elite unit."

[YEDI'OT AHARONOT] And there are no problems in an elite unit?

[Soldiers] "Even if there are, people don't go to KABANs. I know from friends in the armored corps that some soldiers there did, but it's also due to the fact that there one cannot leave the corps no matter what, except through KABANs."

[YEDI'OT AHARONOT] Were you in the territories during your basic training?

[Soldiers] "Yes. So many days in Gaza Strip, so many in Judaea and Samaria."

[YEDI'OT AHARONOT] Did you get any special instruction before going there?

[Soldiers] "No. They told us only about the specific duties that would be given us."

[YEDI'OT AHARONOT] Where there any special problems about serving in the territories among your friends?

[Soldiers] "No. I can say that people preferred serving there to boot camp training."

[YEDI'OT AHARONOT] Why?

[Soldiers] "Less difficult, more 'action.' But we met people from units who had been serving there a long

time, and they were complaining. In particular they were saying that they were fed up with the whole thing."

H.A. has been in the Army for a year and a half. He came to the infantry after a flying course. He is familiar with the term KABAN. He doesn't remember anyone at the course or in his present unit seeing one. It could be that someone asked to see a psychologist on sick call, but he doesn't think so, because usually people in the unit know when one does. Flight courses are tough. Soldiers don't have an easy life in his present unit, either, but asking to see a KABAN marks one for the entire service, it says something about the soldier.

[YEDI'OT AHARONOT] What does it say?

[H.A.] "Either that the soldier has real problems to have gone to a KABAN, or that he's trying to evade duty."

H.S. knew of no cases of commanding officers or unit physicians referring soldiers to KABANs. During 1 and ½ years of service he encountered only two cases of soldiers who underwent mental health treatment. One of them was expelled from the squadron and returned to the original company of the respective division. "He was really broken up about it, so he went to a KABAN; his profile was lowered and now he has a desk job. The other had already been identified at the selection base; he was released from the service."

It turns out that the entire system, which looks very good on paper, is not that easily available to soldiers. The first and highest obstacle seems to be the huge gap between soldiers and unit KABANs.

According to Army procedure, every interview with a KABAN is recorded in one's personal file. And even if it isn't, commanding officers usually know, and so do most of the soldiers. In spite of the openness prevailing today in comparison to 10 years ago, officers and troops still view requests for interviews with KABANs as a sign of histrionics in the best case, and malingering in the worst.

Soldiers who turn to KABANs are marked by a special stigma that will most probably accompany them to the end of their service. Soldiers who contemplate a military career would not dream of doing such a thing, just as members of elite units wouldn't. A senior officer interviewed for this article said that he would not recommend for officers' school a soldier who was in therapy, even if it was merely a one-time interview. "The Army is no welfare service. Any risk that I can avoid, I do."

The Army is aware of this phenomenon. Professionals in the Army reassert the improvement that has occurred through the years in the view taken of KABANs, but they also admit that the path to them is paved with difficulties.

"It doesn't worry me," said a military psychologist. "I expect that people who have real difficulties will find alternative solutions. I am referring to support from family and friends, talks with the commanding officer, and even recourse to physicians. What I get in return is

a more integrative, stronger soldier. Those who don't find their way to alternative 'treatment' or find it insufficient, will find their way to me."

And so field commanders become psychologists, the tent a clinic, and friends a support system. The psychiatrist's couch is replaced by the army cot. It is a process that the Army has permitted to form.

[YEDI'OT AHARONOT] And what about people who don't find what you call alternative treatment and don't come to you, and about whom we later read in the paper as having committed some desperate act?

[Psychologist] "I would say that the Army as an army has a certain purpose. It is neither the framework for treatment, nor for rehabilitation. Part, at least part of the responsibility, rests with the soldiers themselves."

[YEDI'OT AHARONOT] That's just it, we are talking about soldiers who are not capable of assuming responsibility.

[Psychologist] "I assume that such people will evince problems in functioning that will draw the attention of the commanding officer or the physician, or someone in the family. People who have severe psychological problems send functional and physical signals that the system is geared to pick up. If you will ask me whether there are misses, yes, there are. Just as there are in modern medicine, when cancer is taken for the flu. That sort of thing can happen."

[YEDI'OT AHARONOT] Should the Army think in terms of prevention and initiate steps in such cases?

[Psychologist] "Perhaps. I am not saying that the system works perfectly. I'm only saying that even in dentistry prevention is preferable to treatment, but it doesn't happen."

And this is the link between psychological influences and the military mental health system: The pessimistic conclusions issued by various psychologists at the beginning of the intifadah caused the BSD to come out of its traditional silence. According to the BSD—which normally does not share its information with the rest of the country—current findings indicate that military activities in the territories have not brought about a decline in motivation to serve. There has been no decline in the level of volunteers for elite units, nor in general performance. According to the BSD, the war against the intifadah has not caused individual psychological problems.

Military mental health experts who refused to be quoted noted that there has been no considerable increase in requests to see KABANs and doctors, something that can still serve as a criterion despite the difficulties accompanying such requests. There has been no change in either the number or nature of requests, they said.

The problem, one of them stated, is that people cannot differentiate between the sociological changes affecting

the entire Israeli society and the psychopathological expressions of the intifadah, which are our domain.

[YEDI'OT AHARONOT] If you were a foreigner, if you came from England or the Netherlands and had to assess what is happening with Israeli soldiers from a distance, would you say that there are psychopathological phenomena?

[Psychologist] "Yes, I suppose I would."

[YEDI'OT AHARONOT] And that the number of soldiers showing such signs has increased in relation to the year preceding the intifadah?

[Psychologist] "I suppose so, but that is the difference between myself and someone at Cambridge, or between myself and a nonprofessional who incorporates his own world view into his estimates."

[YEDI'OT AHARONOT] I'll phrase the question this way: Does something happen to an Israeli soldier who is compelled to beat up Arab women or girls?

[Psychologist] "Of course something happens, the question is what and whether it is pragmatic."

[YEDI'OT AHARONOT] I would assume that a person who has always been told that the IDF is a defense army and that he was serving in the Army to defend his home, someone who was educated in a spirit of equality, respect for others, and so forth, may well develop a psychological conflict.

[Psychologist] "This assumption may be correct. But it may prove incorrect if it turns out, for example, that the soldiers view the war against the intifadah as an us-against-them war, a war for survival."

[YEDI'OT AHARONOT] Soldiers listen to the radio, read the press, and get around. If opinions among the public are split, why would they not be split in the Army?

[Psychologist] "Because in contrast to the American soldier, who was spat upon and called a traitor when he came back from Vietnam, Israeli society does not target the soldiers. Anger, resentment, or agreement are directed at the political echelon, not the Army. Here every soldier has a mother and brothers and cousins, and to them, if they disagree with what is happening in the territories, the soldier is the victim."

[YEDI'OT AHARONOT] So you agree with the BSD conclusions as they have been published?

[Psychologist] "A priori I suspect every institution that investigates itself of coming up with contaminated results. Consequently I don't want the BSD to report to me about that, just as I wouldn't want Peace Now psychologists to conduct the studies."

"Speaking in general about the impact of the intifadah on the Israeli soldier I would say that it is quite marginal," said Dr. Levi. The criteria by which the Army judges psychological influences are well thought out. The

IDF has learned to live with the intifadah. It is still endeavoring to curb aggression and to teach soldiers who were trained to fight with their fists to act with a touch of a finger, and it is still challenged by unpleasant police duties and by dealing with misconduct.

The Army has learned to combine training with operations, by inserting a "dose" of physical training or target shooting into the daily routine in the territories or by rotating the units. Duty in Lebanon has now become almost like a refreshing morning walk.

[YEDI'OT AHARONOT] Could it be that you are overly optimistic?

[Levi] "It's possible, but not without reason. After 30 years in the army I can put things in perspective. I remember other wars, the period of pursuits in the Biqa, the war of attrition on the canal, and the Lebanon war.

"I remember the feeling of helplessness and hopelessness during the war of attrition, the gaping despair after the Yom Kippur war, and the terrible rage over the Lebanon war. All that has affected our identifying morale as a nation, but not the functioning morale of the soldiers.

"We would have liked to remain David fighting Goliath, as in the war of Independence. At its peak, 27 men and 12 women fighters with 4 Brens and 15 rifles chased the Egyptians out of Nirim. But that cannot be. There are times of storm when the Army has to gather under the umbrella. And speaking for myself, even if today I don't sit at the meteorological station, for example, after so many years I can look up at the sky and be able to tell whether it will rain. Policing the territories is dirty work, but it must mean something if everyone puts their heart into it."

[YEDI'OT AHARONOT] Is it that one way or another people adapt to anything?

[Levi] "Right. After 40 years we have learned to be an adaptable country. We adapt to having 750,000 people take off every summer and deplete the foreign currency reserves, to 250,000 poor, and to life without a constitution."

[YEDI'OT AHARONOT] And to 18-year-old children becoming masters of the country?

[Levi] "Allow a man to rule, and he will; allow him to exploit others, and he will. There are lots of studies about this. The question is whether we are dealing with phenomena or a process. I think that it is phenomena, which, even if they have a long-term impact, are less serious than they were at the beginning of the intifadah."

KUWAIT

Professor Forecasts Increased Deficits

90OL0162A Kuwait AL-SIYASAH
in Arabic 29 Nov 89 p 7

[Article by Muhammad 'Abidin: "Dr. al-Ibrahim: Six Billion Deficit Accumulated in Kuwaiti Budget in Eight Years"]

[Text] The learned seminar concerning the state's general budget deficit, organized by the Arab Institute for Planning in Kuwait, concluded its business yesterday after discussing studies regarding Kuwait and the Arab Republic of Egypt. The seminar, which began its work on 26 November 1989, reviewed a number of papers about the experiences of nine Arab countries, including Jordan, Kuwait, People's Democratic Republic of Yemen, United Arab Emirates, Somalia, and Sudan, in addition to a theoretical study regarding Kuwait's general budget deficit, its causes and ways of dealing with it, as well as intellectual discussion centering around these concepts. The cream of the crop of intellectuals and specialists in the financial arena, including those who work on, and who are concerned with, general budgets in the Arab countries, participated in this forum.

Dr. Yusif al-Ibrahim, a lecturer in the College of Economics, Kuwait University, stressed in his paper dealing with Kuwait's general budget deficit that the shortfall the general budget faces does not constitute any danger in the short term. However, it could be a danger over the long haul, since the gap between available resources and the demands upon them is widening. He said that meeting this shortfall requires setting up a comprehensive framework to define available governmental resources, and the demands on them, so that the political decisionmakers can select the appropriate options and develop guidelines with regard to the program of public expenditures, the growth of available resources, and their safeguarding. Such a framework as this would be a planning tool for the Office of Resources, to facilitate the task of making the right decision.

At the outset of his paper, Dr. al-Ibrahim presented a brief review of the government's fiscal system. He said that structuring Kuwait's first budget began in 1938, when the first legislative parliament passed the budget law, which stipulated that "all of the country's income and expenditures must be organized in a balanced fashion."

However, the general budget has undergone enormous development, with regard to methods and pertinent regulations concerning its preparation and the monitoring of its execution (Law No. 31 for 1978).

The general budget is considered tantamount to the government's economic program, as it reflects the course of the government's work through a given year. The draft budget is issued within the statement of the Minister of

Finance concerning the budget of the ministries, government agencies, and supplemental and independent budgets for each fiscal year.

The budget is recognized as being a plan of expenditures and income for a fiscal year that begins on 1 July and ends on 30 June of the following year. The accounting system used is "cash basis." The general budget for the state of Kuwait includes three budgets: the budget of ministries and government agencies, the supplemental budget, and the independent budget.

While there is oil and nonoil income, it is to be noted that the budget's resources do not include income from investment of the government's financial reserves, either internal or external. It should also be noted that 10 percent of the total budget income is deducted for the future generations' reserve account.

Role of Government

Despite the fact that the economic system in Kuwait is based on the principle of free economy, the government does not only own the oil wealth, but it also has complete control over all oil activities. This situation has led to the government being the sole owner of a vast amount of wealth. This fact has resulted in increased prices in the seventies, in order to generate larger financial resources to overcome the huge governmental outlays. This created the so-called oil surpluses, whose investment became a new source to be added to the government's wealth.

The General Budget Deficit

Reflections of the increased size of the government's economic activity in the last two decades were represented by higher rates of growth of government expenditures. The cause of that were bigger increases in revenue, especially in oil revenue. However, at the start of this decade, that revenue declined to a large extent, which resulted in the 1981-82 budget showing a shortfall for the first time (with the exception of general budgets for 1966-67 and 1967-68).

The general budget deficit started at the level of 181 million Kuwaiti dinars (KDs) in 1981-82, and reached the highest point of 1.302 billion KDs in 1986-87. However, the deficit became stabilized at a level of not less than 765 million KDs minimum. The highest annual growth rate for the deficit was 417 percent in 1982-83, while the largest reduction in its rate was in 1987-88, when it dropped to 40 percent. The former rate resulted from the continued growth of government expenditures (12 percent) for that year, while the latter rate was the result of the improved level of income over the previous year (30 percent). Moreover, the size of the accumulated deficit during those eight years totaled more than 6 billion KDs. This number represents more than 20 percent of the total assets of the general reserve and the future generations' reserve funds (estimated at a total of 27 billion dinars).

It should be noted that the rates of change in the value of the deficit fluctuate; there is no symmetry to the change, which is attributable to fluctuation in the level of oil income stemming from the instability of oil prices in world markets. These revenues have fluctuated in general budget deficit years by more than 50 percent, and reached their highest level in the 1983-84 budget (2.933 billion KDs) and the lowest level in the 1986-87 budget (1.484 billion dinars). Despite attempts to put the lid on expenditures, in order to avoid the effects of that fluctuation with regard to oil income, rates of growth of this income went in a negative direction during the years 1983-84 (-4.7 percent); 1985-86 (-4 percent); and, 1986-87 (-10 percent), and slightly positive growth during the years 1984-85 (4.1 percent); 1987-88 (0 percent); and, 1988-89 (3.4 percent).

In a review of the measuring indicators relative to the size of the deficit, we see that the highest percentage for the deficit, compared with governmental revenue, reached 75 percent in 1986-87. This means that governmental income required additional financial resources valued at 75 percent for that year, in order to balance expenditures with regard to income. The percentage of deficit for local production fluctuated an average of 13 percent (the highest average for Arab nations in 1985). The highest percentage for this indicator was 25 percent in 1986-87, resulting from a considerable reduction in oil revenues. The levels of this deficit also consumed a large amount of the government's investment profits, both from the general reserve and the future generations' reserve funds, and amounted to 76 percent for 1987-88. As a result, the shortfall in the general budget was being financed at the expense of the general reserve. That percentage represents a poor opportunity for profits on income that has not been circulated. The results of the table also show the volume of foreign currency from the export of oil required to finance this deficit. The highest percentage for this occurred in 1986-87, when it reached a total of 62 percent of the total of foreign currency earned. The drop in the volume and prices of oil exports, and the drop in the value of the U.S. dollar, in addition to the increase in the size of the deficit, are the causes behind the increase in this percentage for that year.

Causes of the Deficit

One of the well-known facts about the economies of oil countries is the fact that the increase in oil revenues in the seventies loosened the restrictions on government expenditures, and created an impetus for growth. In Kuwait, the total percentage of increase in oil revenues during that decade was 1896 percent. That led to increased government expenditures at a total estimated rate of 854 percent during the same period. One could suggest that the cause of this increase in government expenditures was the increased growth in turn in the local economy, as we mentioned before. This growth would have increased at a higher rate, if it were not for the administrative and structural restrictions in the economy. Despite the tendency of oil revenues to decline

with the beginning of the eighties, government expenditures did not drop at the same rate; on the contrary, they maintained the growth rate required in certain fiscal years of this decade. The amount of decline of oil revenues was approximately 50 percent during the period 1980-81 through 1989-90, while government expenditures achieved an estimated growth of two percent for the same period. This reflects the fact that the increase in the size of government expenditures is basically only restricted by the government's fiscal condition, while its decrease is restricted by many social, political, and other factors that take precedence over the fiscal condition. This situation, represented by the decline of government oil revenues, which was not accompanied by a similar drop in government expenditures, led to increased expenditures from income and the emergence of a shortfall in the general budget for 1981-82.

Predicting the Size of the Deficit

By relying on these "conditions" or "causes" from which the budget deficit stemmed, we can sketch out a futuristic scenario in order to predict the size of this shortfall up to the end of this century, in accordance with assumptions pertaining to levels of expenditure and revenue. In this review, we will follow two scenarios: the first is with continuation of oil revenues at their present level (decrease in their real value), along with an estimated three percent increase in nonoil revenue, while government expenditures grow at the same rate, with a population growth of three percent. The second scenario supposes growth of oil and nonoil revenues by a three percent rate annually. That would be a result of an increase either in oil prices, or amounts produced, or the value of the dollar. Government expenditures would also increase by three percent annually, because of the population growth. The results of the first scenario indicate that a result of oil income stability would be the continued growth of the general budget deficit until it reached a level above 2 billion Kuwaiti dinars by the end of this century. This deficit level represents 82 percent of total income, and 45 percent of total government expenditures in 1999-2000, whereas the deficit level in 1988-89 represents 37 percent of total income and 27 percent of total government expenditures.

Ways To Meet the Deficit

To meet this shortfall in the budget, the government has followed two different paths: the first, through financing the deficit by drawing on the general reserve fund, since the beginning of the budget deficit up to November 1987; and the second, through issuing instruments of the general debt, beginning in November 1987 and continuing to the present time.

What is required with regard to this crisis is the preparation of a comprehensive framework or outline, which would delineate for us the government's purview, the assets it owns, and its profits through a specific time-frame, as well as the obligations on it and their growth

during the same period. In this section, I shall attempt to present the theoretical portion of this framework and its budget, in comparison with the current budget system, without presenting the results of the applications of this proposed outline, since those results are the property of the quarter financing the project.

This framework will open wide the window of assets, and their current and future profits', in order to finance all programs of expenditures without limits or restrictions. This is income, since we have not concentrated on the other side of this outline, that is to say, the obligations in terms of size and components. These obligations represent demands on the government's assets and on its future income. The proposed framework recognizes

these demands on the government's assets and the extent of change in them (growth or decrease) during a given time frame, how to deal with them, and how to create a balance between them.

The outline of the "Office of Resources" in this way represents a planning tool to clarify available revenues, and the demands on them, during a given period of time, which could extend beyond a year, whenever those assets, profits, and growth rates of demands upon them, have been defined. This outline does not define what we choose from the assets portfolio, or the program of expenditure, but it puts them into a comprehensive framework, which makes the task of selection easier for the decision makers.

Development of Deficit in General Budget for Period 1981-82 to 1989-90 (In Millions of Dinars at Current Prices)

Fiscal Year	Official Deficit	Percentage of Growth	"Limited" Deficit	Percentage of Growth	"Total" Deficit	Percentage of Growth
1981-82	(181.1)	—	194.8	—	1498.8	—
1982-83	936.4	417	(646.2)	432	1010.8	-32.5
1983-84	(194)	-79	151.5	-123.5	1440.5	42.5
1984-85	(764.8)	290	(460.3)	403.8	693.7	-51.8
1985-86	(1025.3)	34	(760.8)	65.3	1732.3	149.7
1986-87	(1302.3)	27	(1129.2)	48.2	678.8	-60.8
1987-88	(779.5)	-40	(554.3)	-50.9	470.7	-30.6
1988-89	(867.6)	11.3	(630.8)	13.8	794.2	68.7
1989-90	(1318.6)	51.9	(1095.5)	73.6	—	—

Source: Statement of Finance Minister with regard to Draft Budget of Ministries and Government Agencies, Supplementary Budget, and Independent Budget

—Central Bank of Kuwait—Economic Report—Various Years

LEBANON

Leaders Discuss al-Ta'if Agreement, Political Situation

Interview With George Sa'adah

90OL0166A London AL-HAWADITH
in Arabic 15 Dec 89 p 18

[Interview with George Sa'adah, the leader of the Lebanese Phalange Party; first two paragraphs are AL-HAWADITH introduction; date and place not given]

[Text] They call him the star of the al-Ta'if Agreement. They say that the charter of the Lebanese National Accord, which was agreed to in al-Ta'if, would not have become a fact of reality except for him, and for his insistence on reaching an understanding with the rest of the Lebanese deputies on a peaceful solution to the Lebanese crisis. He is Dr. George Sa'adah, leader of the Lebanese Phalange Party, whom former Prime Minister Sa'ib Salam called the one Lebanese politician most qualified for the presidency at this time, were it not for some people's fear about returning to the experience of a partisan president.

In an interview with AL-HAWADITH, Dr. Sa'adah said that the group of East Beirut deputies have not been diminished in their courage, nationalism, or Lebaneseism, and that it is unfair for them to be the object of criticism, doubt, or suspicion with regard to the subject of Lebanon's sovereignty, independence, and integrity. Here is the text of the interview with Dr. George Sa'adah.

[AL-HAWADITH] They say that matters in Lebanon are heading toward a fait accompli and maintaining the status quo. So long as settlement is prohibited and retreat prohibited, General 'Aoun in one place and President al-Harawi in another, does this mean that partition is probably the inevitable result?

[Sa'adah] Yes, there is no doubt that that fait accompli will lead to partition, God forbid.

[AL-HAWADITH] Who would be responsible for this partition, if it occurs?

[Sa'adah] Gen. 'Aoun would be responsible for the partition which, if it occurs, would be a tragedy first for the Christians, and then for Lebanon.

[AL-HAWADITH] Do you see on the horizon some possibility of making some changes in the al-Ta'if Agreement, so that there can be rapprochement between the two sides of the crisis in Lebanon?

[Sa'adah] No, I don't think so. Change would mean doubts about the agreement reached by the committee and the deputies, at a time when this matter needs no doubts. There are Arab guarantees with regard to Syrian withdrawal, and restoring Lebanon's sovereignty and integrity. This is sufficient, as long as the war of liberation cannot liberate because of local (realistic), regional, and international reasons.

[AL-HAWADITH] What is the nature of the real dispute between you and Gen. Michel 'Aoun? Were you allies in the past?

[Sa'adah] The general knows, and everyone knows, that since its establishment, the Phalange Party has supported legitimacy. On the day Gen. 'Aoun's government was formed, we declared that it was the sole legitimate government in Lebanon. We never recognized the fait accompli government led by Prime Minister Salim al-Huss. However, after the election of the deceased Rene Mu'awad as head of government, we recognized his legitimacy. Even after the election of martyred president Mu'awad, we still considered the legitimate government to be Gen. 'Aoun's government, which was formed constitutionally and legitimately. Departing from this position of ours, we later recognized Prime Minister al-Huss' government, which was commissioned by President Elias Hrawi, following his election.

As regards the dispute, and the accord between us and the general, there is no denying that the general's beliefs are basically ours as well. Therefore, Gen. 'Aoun must begin at once to act on the basis of this theory. If we in fact want to restore Lebanon's health, independence, and sovereignty, we must all pull together to serve the new government of national accord. I have called on everyone to participate in this government, so that it can become an accord in word and deed.

[AL-HAWADITH] Do you mean the general's participation in this government?

[Sa'adah] Yes, that is what I mean. Putting aside philosophies, we must all participate in this government, so that it becomes a government of national unity. What would Gen. 'Aoun lose if he was a member of this government, and worked within it to implement the al-Ta'if Agreement, so that all of us, along with the deputies who have joined together, can watch over implementation of the al-Ta'if Agreement toward complete, not incomplete, withdrawals. It is unfair to keep saying only that the al-Ta'if Agreement will not be implemented. These are irresponsible words. We must all strive to implement it. If it is implemented, we will have won and our nation will be at peace. If it is not implemented, we will have at least done our duty. Then

at that time we can call upon ourselves, and call on all nations that want this agreement implemented, to help us get out of this dilemma.

We had many discussions, and we spent long nights working to bring the al-Ta'if Agreement into existence. Everybody knows how we worked and struggled, how we stopped over every line and word and letter, and how we demanded changes here and there in the text, form, and total meaning. Some people believed the study of the al-Ta'if Agreement would only be a matter of hours, but in fact it took 23 consecutive days. I personally went to al-Ta'if in my capacity as a deputy, since the committee's invitation was sent to Lebanese deputies. I could have acted in al-Ta'if as a deputy only, consulting with my party, and working on behalf of my party's demands, but I did not do that. On the contrary, I acted responsibly, as the leader of the Phalange Party, a member of the Patriarchal Committee of Six, and head of the Lebanese Front. On the last day of the al-Ta'if meeting, I put five reservations on the final text of the agreement. They are:

1. I will not approve this agreement until after obtaining the approval of the Maronite Patriarch, Nasrallah Safir, who chairs the patriarchal committee;

2. I want the approval of the Phalange Party to this agreement;

3. I also request the approval of the Lebanese Front, with its parties and organizations;

4. I wish to tie my approval of this accord to a written promise from the Supreme Arab Committee, in which it guarantees implementation of the agreement's provisions as we want them, not only as they are cited verbatim in the text, but also with no possibility of substitution; and,

5. Before I approve this agreement, I request that Gen. 'Aoun be apprised of this full text, and that he express his observations and reservations with regard to it. I well remember that I said before a large group of deputies: "Gen. 'Aoun is the president of our legitimate government. The general has preserved the honor of the Lebanese; we cannot stab him in the back. We must apprise him of the agreement's text through the Arab committee itself, not by telephone, radio, or other media." Consequently, it happened.

[AL-HAWADITH] What did happen?

[Sa'adah] How was everyone's approval obtained?

[AL-HAWADITH] Everyone, without exception?

[Sa'adah] Yes, I telephoned Patriarch Safir in Rome, and read him the final text of the al-Ta'if Agreement. I reviewed this text with His Beatitude word by word, and I indicated how each word had been substituted or changed or stricken. I then sent him the text via facsimile machine, and he approved the text as we read it today.

Secondly, I asked the deputy chief of the Phalange Party to call the political bureau into an emergency session to study the text of this agreement. The bureau met and approved the text.

Third, I requested a meeting of the Lebanese Front, including all parties and organizations, so that they could present their latest views with regard to the agreement. The front met and supported the agreement without reservation. On the contrary, they asked that it be signed quickly. The meeting was chaired by Dany Sham'un.

Fourth, I did not think that sufficient. On the contrary, I requested the approval of the National Liberal Party; the party met and supported the agreement.

Fifth, the Saudi Foreign Minister, Prince Sa'ud al-Faysal, promised me implementation of the request for Arab guarantees with regard to the withdrawals. He said to me: "George, the agreement is binding," that is to say, it bore the seal of the signatures of all parties, both the Supreme Arab Tripartite Committee and Syria.

Sixth, I sent the text of the agreement to Gen. 'Aoun. Dany Sham'un telephoned me and told me that he had Gen. 'Aoun on another line and would relay whatever I wished to say to him. I went over the story from the beginning in detail, and in response to a question about the timing of the Syrian withdrawal, I said to Dany Sham'un—who told Gen. 'Aoun at the same instant—that I had a categorical promise from the Arab Committee guaranteeing the withdrawals. Moreover, the agreement's text also stated that the withdrawal would be within one year from the approval of the Lebanese and Syrian governments. Dany told me, quoting Gen. 'Aoun: "No objection; go with the agreement."

However, I did not leave my room to go to the final session, until I was advised that the Arab Committee had informed Gen. 'Aoun about the agreement. On the same day, Lakhdar Librahimi went to Lebanon, taking the texts of the agreement, the promise and the guarantee with him. He met with Gen. 'Aoun at night. They (my party) telephoned me from Beirut, and told me that the general had met with Librahimi and, after the meeting, held a press conference, in which he rejected the text. However, I was not bound by this statement. I had asked that the general be apprised of the text, and he was apprised of it. I had obtained the approval of all those whose approvals I had requested, including the general's. I had relied on God, and on the approval of the patriarch, the Phalange Party, the Lebanese Front with the parties that have rallied under its banner, the Lebanese Forces, the National Liberal Party, and the approval in principal of Gen. 'Aoun. I attended the reception to crown the efforts of the Supreme Arab Committee, the ministerial committee and my colleagues, the deputies. When the Saudi monarch, the Custodian of the Two Holy Mosques, delivered the closing address, it was clear to us all that King Fahd and his two colleagues on the

committee, Moroccan King Hasan II and Algerian President Chadli Bendjedid, would work tirelessly to implement the provisions of this accord. When Prince Sa'ud al-Faysal read the committee's communique, including clear and unmistakable guaranties and assurances, I knew that the al-Ta'if Agreement was the most worthwhile, realistic, and shortest way to Lebanese peace, more than any other path. Please note that I reiterated then and am still saying now that if it is within Gen. 'Aoun's ability to exchange the al-Ta'if Agreement for a successful military or political attempt to liberate Lebanon, he will find me among the first to fight. As for leaving the matter to unending discussion and verbal warfare, this will of itself injure both the nation and its sovereignty.

Interview With 'Isam Abu-Jamra

90OL0166B London AL-HAWADITH
in Arabic 15 Dec 89 p 19

[Interview with Brigadier General 'Isam Abu-Jamra: "If the al-Ta'if Agreement Succeeds in Achieving Withdrawals, We Will Not Oppose It"; first paragraph is AL-HAWADITH introduction; date and place not given]

[Text] Brigadier General 'Isam Abu-Jamra, in an interview with AL-HAWADITH, called for using the al-Ta'if Agreement as a new test of Lebanese reality. He said that if it succeeds in spreading security, peace, economic prosperity, and good regional relations, achieves withdrawals during the specified period, and the Lebanese are satisfied with the agreement's results, we shall not oppose these results, if they are achieved under the banner of the agreement. The following is the text of the interview.

[AL-HAWADITH] We are living in a stage, following the al-Ta'if Agreement, that is causing violent reactions, dividing the country between supporters and opponents. We should point out that you have submitted a proposal aimed at extracting us from this dilemma. How do you see the situation?

[Abu-Jamra] I proposed that the period of two years stipulated in the text of the al-Ta'if Agreement be used to set the time for the withdrawal of the Syrian army from Lebanon. In other words, we should begin to implement the articles of that agreement as referred to, in those areas that welcomed and supported it. This period should be a period of probation. If implementation satisfies all the factions living under the agreement's umbrella and, in fact, leads to tranquility, peace, economic prosperity, and good regional relations within the neighborhoods and abroad, then if it does all that, who would believe that we would continue after two years to oppose this agreement? Of course we would support it! But if the agreement does not lead to the desired results, then at least there would have been one faction that did not enter that stage of torment, and did not alter its methods of operation and thinking and, therefore, the way would be clear for another faction to join with it.

[AL-HAWADITH] But you are from this faction that allowed the East Beirut deputies to go to al-Ta'if, stemming from your conviction and belief in Arab solutions and the seven premises.

[Abu-Jamra] I will read to you what these seven articles stipulated, as cited in the following statement: Invite the members of the Lebanese Chamber of Deputies to meet to prepare and discuss a treaty of national accord.

The statement is clear, and says to prepare and discuss, not to vote on the agreement and consent to it. Here is the constitutional error that the deputies committed by voting on the agreement, in a session chaired by Speaker al-Husayni, who considered himself to be running an official session. Everyone saw that on the television screen, noting that he was not speaker of the chamber and, consequently, did not have the authority to vote. By voting, they exceeded what they had agreed to. No, on the contrary, in addition to what was reported in the statement of the Arab Tripartite Committee, there were a number of other matters agreed to, and written reports that emphasized the principle of commitment to matters that could be irrevocable. For example, there is the schedule of withdrawals of foreign forces, especially Syrian forces. These are matters that were decided in meetings between General Michel 'Aoun and the deputies, shortly before they went to al-Ta'if. There are minutes of a session which set forth in detail the terms and phrases used by the deputies in this context.

[AL-HAWADITH] There is a fait accompli. The elected president enjoys full international support. The political lesson says the error of the majority is correct. What happened, happened, even if an error was committed.

[Abu-Jamra] Legitimacy is of two kinds; establishment of the state requires two types of legitimacy. There is the legitimacy of the state in itself; that is, the ability to assert its will over its territory, execute its laws, and impose respect for its constitution. There is also international legitimacy; that is, its recognition by foreign nations.

For a year we have been in a legal and constitutional situation, while they in West Beirut founded a state and a government that we considered to be a fait accompli government. As for foreign nations' recognition of the fait accompli, this is their business, and they are free to do so. However, that does not permit them to withdraw their recognition or ignore it. By virtue of the constitution, we are the legitimate government. However they will discuss the matter, foreign nations will try to change the constitution and, therefore, there was a popular furor. The Lebanese citizen felt that the world is trying to "strip" him of authority given to him. The least that can be pointed out is American Ambassador McCarthy's incitement of one group of Lebanese against another. This deserves the Public Prosecutor's Office moving to prosecute him, directing a group to rise up against the army! What are we? Are we a people who respect their

history, their roots, their existence on their own territory? We have influence in our country, in our environment, in the world. Why can't we rule and change our systems, in such a way that makes us masters of the law, teachers of rights, nurtured by Lebanon. So far, we still have more lawyers in West Beirut than in East Beirut. You can be sure that if you asked the lawyers in West Beirut for their view with regard to the legality of what is going on and happening, you would hear an answer that would surprise you!

[AL-HAWADITH] Your words carry a conviction that strongly challenges what you are facing.

[Abu-Jamra] If I were not convinced that the al-Ta'if Agreement was inappropriate and unjust for all the Lebanese people, and if I did not see this popular revolt against it, I would boldly support it in every way. But, it is unreasonable to see all these mature people and educated youth, who are the country's future, taking to the streets, rebelling against the dictatorship that imposes matters and overturns standards. It is not reasonable to see all that, and then back away from feelings of being unable to accept what they have not accepted.

[AL-HAWADITH] You have caused a revolution in political understanding in as much as Gen. 'Aoun, according to the statement of one politician, is a phenomenon in the history of Lebanon. However, what do you offer to rally the opponents of the al-Ta'if Agreement as completely as the supporters themselves have rallied?

[Abu-Jamra] Who says that they won't ultimately get together? You know that in the present social situation in the aftermath of the war, there are people out of the country and others who have different circumstances. However, this will not stop the opponents of the agreement from giving evidence that they have begun to express their views openly and clearly.

We cannot lose, so long as we are clearly in the right.

[AL-HAWADITH] But, how is your situation with the Lebanese Forces?

[Abu-Jamra] Excellent. We have rejected and still reject acts of violence. I am one who calls for peace, and who strives to save every possible drop of blood from being shed. We have had much experience during the past 15 years. We know our path; we do not have to wait for an invitation from the American Ambassador, or anyone else, for us to fight.

[AL-HAWADITH] Can Gen. 'Aoun guarantee the political base as he has guaranteed the popular base?

[Abu-Jamra] We have the strength and conviction; we must pursue our independence, freedom, and honor that we are establishing and fighting for. They will not be given to us by anyone.

[AL-HAWADITH] How do you see the situation between you and the Phalange Party?

[Abu-Jamra] Those persons in the streets, demonstrating and sitting-in, are not foreigners; all of them are Lebanese, and the majority of them Phalangists. Even inside the Phalange Party's political bureau, they saw with their own eyes that their members were the ones demonstrating. You ask questions about our relations with the Phalangists or the Forces. All of us are made from the same clay. There must not be any disputes. The strategic interests are the same, i.e., the strategy of existence, sovereignty, freedom, and independence. Those who differ with this strategy cannot win.

[AL-HAWADITH] The situation between Ba'abada Palace and the patriarchy?

[Abu-Jamra] The situation would not have changed, if it were not for the meddlers' interference. There are calls as you noted to stir up extremism within, in order to split the ranks. This whole affair was a clear attempt to do this. You know that the Ba'abada's intentions are good vis-a-vis the patriarchy. Gen. 'Aoun sent a statement to the patriarch, called him on the phone and invited him to return. Gen. 'Aoun respects the clergy completely, as any person respects the one responsible for him spiritually.

[AL-HAWADITH] Some fear a wheat crisis in East Beirut.

[Abu-Jamra] I can reassure people with regard to this. During the war, it was anticipated that our wheat supply would be exhausted by 1 May 1989. We brought—through the harbor, in the dead of night, under bombardment—36,000 tons of wheat to granaries that are not more than 500 meters from the confrontation lines. The citizens did not feel a shortage of wheat. I had some difficult thoughts about the possibility of a wheat shortage some day, but praise God, the worst of all blockades passed, and a loaf of bread in our areas has continued to be 100 Lebanese pounds, as flour has remained available in every district. In contrast, a sack of bread in the other areas now sells for 500 pounds, and the citizens in the latter areas come over to our areas to buy this vital commodity.

The citizen did not lack for anything, despite the burning of a large number of ships that were carrying supplies.

[AL-HAWADITH] But there were open credits; what would you do now if that was denied you?

[Abu-Jamra] I don't believe that it is right for the Central Bank to stop the funds; therefore, it will not make this mistake, at least with regard to vital matters affecting life, which no one can face. The popular saying is: Cut off the jewels by cutting off the neck. Everybody would be hurt if the boycott was carried out, and not just us.

Prime Minister al-Huss is intelligent and logical. However, I hope that pressure is not put upon him to go in that direction.

[AL-HAWADITH] If pressure is intensified, what are your options?

[Abu-Jamra] With regard to ways out of this, we don't fear anything. The options exist, and let everyone rest assured, there is everything. All matters have been studied, in ways that should reassure the citizens.

[AL-HAWADITH] What do you see on Lebanon's future horizon?

[Abu-Jamra] I hope that what I referred to, at the outset of this interview, will come to pass. This period is a period of calm, which allows the citizenry to resume being normal citizens, getting on with their lives. The foreign forces should be withdrawn, and the army deployed, its presence solidified. The common ties among Lebanese should be strengthened, and the emigrants persuaded of the possibility of returning to their homes and their districts.

Economist Discusses Ways to Face Deficit

90OL0169A London AL-HAWADITH
in Arabic 15 Dec 89 p 48

[Dispatch from Beirut Bureau: "Until a Viable United Lebanese State Is Created: Closing the Budget Deficit Begins With Taxes"]

[Text] What causes the Lebanese state budget deficit and how can it be reduced and eventually eliminated?

This dual question was addressed by a study undertaken by an economic advisor as part of official action by concerned Lebanese authorities to revive the Lebanese economy. An economist source said in reviewing the study: The study said that the budget must keep expenditures in line with revenues, especially because since the Lebanese war intensified exports account for only 15 percent of outlays. The general debt, meanwhile, exceeded 500 billion Lebanese liras by the end of 1988.

The study opined that collecting customs duties would be a start [towards balancing the budget], but this would not be easy until the state enjoys full authority and controls all nine air, marine, and land customs gateways. Despite the condition of the state, the 1989 draft budget put customs revenues at about 10 billion liras, compared with less than 4 billion liras in 1988. Most of those revenues, however, were dissipated by the bloody incidents. Even if fully paid, customs duties would have amounted to only seven percent of aggregate revenues budgeted at 130 billion liras.

The source said the study gave several reasons for the deficit which has become a fact of life for state agencies and citizens alike.

The deficit is caused, among other factors, by:

- 1) Allocating expenditures for the entire public sector, its institutions, and its municipalities, even though most public agencies and institutions are not functional. Furthermore, such expenditures are nonproductive and return no yield.

2) The war situation has created new expenditures such as for reconstruction and war victim benefits, not to mention the added burden of the U.S. dollar's high exchange rate vis-a-vis the lira.

3) The treasury has been, and still is, burdened by borrowing for various social allocations or to support production and boost the economy. Those expenditures yield no return.

4) State subsidies for certain basic goods and services such as wheat, fuel, electricity, and health insurance as well as municipal, postal, and transportation services.

5) Foreign debt obligations of the state.

6) State expenditures are further aggravated by inflation which is essentially the result of the state's impotence and having to bear inflation costs when approving certain allocations.

7) Debt service has been escalating and accounted for 21 percent of total deficit for 1987.

8) The forces operating in the land, such as militias etc., control the treasury's major resources and divert all imports to regions under their command and authority. Imports relegated to the state are limited to wheat and sometimes autos.

9) De facto authorities have imposed taxes equal to those of the state and sometimes even exceed them and replace them. This has caused the dual taxation of all economic and daily activity, restricting and stunting the growth of individual initiative. Many enterprises have been postpone to avoid the dual tax and because of rising costs and burdens. When recording property, for instance, an owner is taxed three times, once by the state and twice by de facto authorities. This has caused citizens to avoid registration until single taxation is reinstated with the return of all control to the state.

10) The Lebanese have historically tended to evade taxes or stall in paying them, costing the treasury considerable revenue.

Those being the factors causing the deficit, how can they be controlled, at least initially? The key, according to the economist source, is the installation of a united viable authority.

That was the conclusion of the study which emphasized that the state must implement an integrated system of taxation that keeps all levels of individual income in mind while it boosts the economy and helps develop initiative.

The state, as it awaits the return of full control, has granted amnesty to tax delinquents provided they pay by

certain deadlines, and has offered incentives for citizens to begin paying their tax liabilities. The state has also instituted a system for the prepayment of all direct taxes, whereby payment is made at the time the tax return is filed rather than a long time afterward.

Furthermore, adjustments must be made to certain assessments that were set when the dollar was valued at 2 or 3 liras. Examples are fees for passports, public security, and residence and work permits for foreigners. New fees should be set for ports and airports; courts; trade; auto sales, registration, and driver licenses; revenue stamps; liquid fuels; and duties on foreign alcoholic beverages. The study, according to the economist source, called for uniform real estate and property taxes that would be in step with the new realities.

The study pointed out the Dr. Habib Abu-Sagr, director general of the Ministry of Finance, has previously proposed the imposition of new taxes including:

1) A suitable annual fee for public marine works.

2) A tax on chalets.

3) An annual licensing fee to be paid by owners of commercial, industrial, and vocational establishments, as well as by tradesmen and workers in Lebanon. These fees would be separate and distinct from other taxes on industrial, commercial, and noncommercial profits.

4) A tax on foreign currency purchases.

5) A tax on loans of all types.

6) Giving the state first option to purchase real estate would help frustrate the practice of declaring a smaller amount than the actual purchase price.

7) Standardizing real estate depreciation, issuing guidelines for commercial property depreciation, and reviewing previous depreciations now that rent control has frozen tax revenues from those properties.

8) Also tax capital improvements that raise actual property values.

The study, according to the economist source, advocates more direct taxes since they are easier to collect and quicker in improving state revenues.

The source stated in conclusion that the economic deficit is a function of the political stagnation in Lebanon after many bitter years of war. Resolutions to close the economic deficit gap are a necessity, but there must be political revival before state revenues can be developed. Political revival can only take the form of one viable unified state in full control.

It is not beyond Lebanon to lick its wounds and accomplish economic and political revival.

REGIONAL AFFAIRS

Reflection of Crisis in IRI Among Lebanon's Hizballah Viewed

90010073A London KEYHAN
in Persian 23 Nov 89 p 12

[Article: "Iran's Crisis Reflected in Lebanon's Hizballah"]

[Text] Hizballah, the terrorist organization, high in cost and low in prestige, which costs our country's treasury \$100 million annually, whose inhuman crimes have made its own name and that of Iranians synonymous with savagery and cruelty, has lost its relevance and importance and is facing the worst crisis of its seven year life.

The convening of the al-Ta'if conference with the participation of Lebanon's parliamentary delegates and the election of a new president of the Lebanese Republic was a great blow to the agents of the Islamic Republic in Lebanon. Hizballah with its fake letters such as "Jihad-e Eslami" was opposed to the al-Ta'if meetings and its decisions. Then, with death threats against the delegates (which were carried out in two instances) Hizballah tried to prevent the election of a new president of the republic who might possibly restore order and credibility to the Lebanese government and rid his country of the guardians and spies of the Islamic Republic and unmask the agents of the Islamic Republic as traitors to his country. But Hizballah was defeated in its efforts and, now more than ever, its destiny has become dependent on the wishes of Hafiz al-Asad and the policies of the Syrian Government.

Less than 2 weeks ago, Seyyed Muhammad Husayn Fadhlallah hurriedly went to Tehran and, in meetings with Khamene'i, Rafsanjani, and others in Tehran responsible for the support of terrorist movements, sought a remedy for the situation. It is not only the failure to stop the al-Ta'if conference and the election of Lebanon's president which has damaged the prestige of Hizballah, but the kidnapping of Sheykh 'Ubayd in South Lebanon by Israeli commandoes. The reopening of the issue of foreign hostages held prisoner in Lebanon, the execution of pro-Khomeyni terrorists in Mecca, the continuous threats by Hizballahs of various colors all stationed in Tehran and Lebanon, all these things have recently placed the Hizballah issue among important international news and, each time, aroused greater opposition and hatred towards this terrorist organization in Islamic and other countries.

The repeated use of Lebanon's Hizballah by the Islamic Republic has completely destroyed the prestige of this organization within Lebanon and has unmasked its members as the hirelings and agents of the mullahs of the Islamic Republic. However, three important incidents have aroused strong negative reactions in the fields of politics and organization and jeopardized the very existence of Hizballah:

1. The end of the Iran-Iraq war which has greatly narrowed Hizballah's field of political maneuvering.

2. The death of Khomeyni who acted as an organizer of relations among the leaders and a mediator of differences among the different groups, all of whom consider themselves to be the followers of the Imam's line. Khomeyni's death removed the last safeguard against an explosion from within the Hizballah.

3. The accession of Hashemi-Rafsanjani to the presidency of the Islamic Republic has, in addition to exacerbating the differences among the various factions of mullahs in Tehran, also raised the dangerous possibility that, in order to strengthen his standing with Western countries or to strike political and economic deals, he might weaken Hizballah and consign it to the limbo of neglect and forgetfulness.

As regards its political aims, Hizballah is not very important or original. It wants an Islamic Republic in Lebanon. On the other hand, in gatherings of Lebanese and Palestinian terrorist groups in Damascus and Tehran, the Islamic Republic has openly and emphatically abandoned this aim and relegated the vision of creating an Islamic Republic to an unforeseeable future. In order to attract supporters, Hizballah, like other political parties, has resorted to certain classical moves such as group activity, agitation, party conventions, propaganda, and publication of revolutionary material. But the special characteristic of this party is that its operational structure, its political, military, and security capacities are all formed to carry out harsh actions.

Hizballah operatives believe that only by hostage taking and terrorism will they be able to make their views and power reverberate around the region and the world. But since Rafsanjani's accession to office, this all encompassing view of combat has been destroyed. Of course, it is too early yet to draw the conclusion that the new policy of the Islamic Republic, namely, the bolstering of the importance of the "government" over "revolution" will mean the relinquishing of these local hireling organizations in Lebanon.

Hizballah has been the sole means through which the Islamic Republic has been able to export its revolution to any part of the world. But the strategy of compromise followed by Rafsanjani's group in the Islamic Republic will force Hizballah to conform gradually to the new conditions.

The pressure put recently on Hizballah by Tehran in this regard has created great anxiety in this organization which is composed of 2,000 "warriors" and 700 "mobilized students." The anxiety arises from the fact that this organization, founder of terrorism, can continue to exist only if Islamic radicalism exists and expands. Lebanon's Hizballah has not yet fully digested the fact of the large scale purges which resulted in the removal of the most important and cruel individual responsible for the

export of the Islamic revolution, namely, Mehdi Hashemi. The same incident is being repeated with the weakening of the branch which was represented by 'Ali Akbar Mohtashemi.

The Amal Movement Ranks First in Importance

The group in power in Tehran not only expects the usual unquestioning obedience from Lebanon's Hizballah, but is also pressuring it to review its ties with other groups in Lebanon. It is said that Hizballah has even been asked to think about a complete overhaul of its identity. This policy, which in fact has been dictated to the Islamic Republic from Damascus, gives primary importance, not in Hizballah, but to the Amal organization led by Nabih Birri.

The Rafsanjani government has taken effective measures to gain Amal's approval. These measures include the recall of Ahmad Dastmalchi, the Islamic Republic's ambassador to Lebanon, who, in Amal's view, has played an active role in favor of Hizballah in the bloody fighting between Amal and Hizballah. The issuance of the order for the precise execution of the terms of the agreement signed in January 1989 in Damascus between Amal and Hizballah replaces a portion of the revolutionary guard stationed on Lebanese soil.

The total and fundamental change in the Islamic Republic's policy towards Amal is well-demonstrated by Nabih Birri's trip to Tehran. In the rites held in Tehran on the 40th day of Khomeyni's death, his successors greeted Amal's leader with great respect and ceremony. Birri had not been to Iran since 1979 and no one in Tehran would take charge of him.

Following Birri's recent trip to Tehran, the Islamic Republic's financial aid to Amal which had been discontinued since the early years of the revolution was reinstated.

In exchange for this aid, the so-called "moderate" Amal agreed not to resume its enmity and war with Hizballah.

At present, the only issue remaining between Amal and Hizballah is that of South Lebanon. Nabih Birri's organization insists that the protection of security in that area is one of its prerogatives and that under no circumstances will it allow "the Islamic Resistance," which is another of Hizballah's identities, to reestablish itself politically and militarily in South Lebanon, in Lebanon's border areas, or in free Lebanon (security zone).

In Tehran, the ruling mullahs tried very hard to convince Birri on that score but without success. At present, the leaders of the Islamic Republic, not wishing to disturb the situation or to provoke Syria or Amal, have proposed that "the Islamic Resistance" establish itself in the Iqlim al-Tuffah area (adjacent to South Lebanon) and allow Amal to extend its area of activity. Amal has agreed to place Hizballah forces in this area under Amal's military command, merge them with its own forces in South

Lebanon, and undertake joint actions with them, thus garnering some prestige for the agents of the Islamic Republic.

It seems that Rafsanjani has succeeded in imposing his views on the majority of the influential leaders of Hizballah including Muhammad Husayn Fadhlallah, Subhi al-Tufayli, 'Abbas Musawi, and Ibrahim al-Amin.

But a minority group within Hizballah's ranks, which has ties with Mohtashemi, the former minister of the interior, and is led by Seyyed Hasan Nasrullah, has rebelled against Rafsanjani's decisions. This group, although a minority, holds two winning cards: first, the foreign hostages which they try to use to influence the relations of the Islamic Republic with the United States on the one hand, and with Syria on the other. The other card pertains to Hizballah's relations with Amal which this group tries to strain and could succeed in doing so.

Seyyed Hasan Nasrullah Forbidden To Leave Iran

The arguments put forward by the supporters of Nasrullah center on two points:

1. The agreement between Amal and Hizballah in Tehran has the marks of "tribalism" and hence carries within itself the seeds of serious conflicts in the future.

2. Amal's refusal to allow Hizballah to return to South Lebanon shows that Amal does not wish to improve its deep rooted antagonism towards Hizballah.

Seyyed Hasan Nasrullah (Abu Hadi) is regarded as the leader of the radical wing of Hizballah. He is 36 years old and was born in Bazuriyah (Sur region). He is married and has two children. He studied religion and feghh [religious jurisprudence] in Najaf but did not acquire much knowledge. Although he is known as Hojjat ol-Eslam in Tehran, he is in fact not very learned and has not acquired any position in the theological hierarchy. In the beginning he was responsible for the Amal movement in the al-Biqa' region but in 1982 he left Amal and, following Husayn Musawi's abduction, joined Hizballah. He has held various positions in Hizballah. He taught feghh and sharia [religious law] in "Janbaz" sabotage training camps (al-Biqa'). He was the leader of the Hizballah military group in Beirut and was in charge of organizational problems. Since February 1988, he has been in charge of foreign hostage affairs in Lebanon and chief of the ideological commission of Hizballah.

Since last August, Nasrullah has been living in Tehran. The Islamic Republic has given as the reason for his long stay in Tehran his pursuit of religious studies in Qom; but intelligence sources believe that Hasan Nasrullah is being held in Iran against his will and that in fact he is not allowed to leave Iran.

In the discussions held in Tehran between the leaders of Amal and Hizballah, Seyyed Hasan Nasrullah was present but ignored even though he is a member of the

central committee of Hizballah in Lebanon. In the negotiations with Nabih Birri, Sheykh Subhi Tufayli led the Hizballah delegates.

Just before the start of negotiations between Amal and Hizballah in Tehran, in an interview with a radical Tehran newspaper, Nasrullah expressed his dissatisfaction with the way the Amal-Hizballah talks were proceeding and indirectly even criticized Syria and the Islamic Republic.

Referring to the outbreak of fighting between Amal and Hizballah gunmen in the Beirut suburbs and South Lebanon and the statement of Amal authorities that Nasrullah's supporters were a handful of ignorant savages, Nasrullah said, "A court should be established to punish the guilty without consideration or lenience and without regard to their group affiliation because tactical and negative conditions are under consideration not only among the leaders but involve the elements at the bases as well. We are in serious need of educational supervision."

Nasrullah warned that continued pressure on Hizballah by Amal and the Islamic Republic would prove dangerous. "Islam, and in particular the Shias of Lebanon are facing a serious threat of considerable proportions and if all of us do not carry out our duties in this regard, we will be faced with a real disaster. One cannot say toward what kind of a dark future the Shias of Lebanon will be heading, but there is no doubt that the continuation of this fighting will weaken both sides and all Islamic forces, particularly Shia forces. It will create changes in the balance of local forces and result in the increased presence and power of the enemies of Islam."

In regard to South Lebanon, he complained, "Up to now, many young men belonging to Hizballah have returned to South Lebanon as private citizens (not as members of Hizballah). But these brothers cannot participate in any political, cultural, or social propagation activities in the south and their movement is subjected to many hindrances and obstacles."

Nasrullah further revealed that "the joint activities chamber," which, according to the Damascus agreement, was to start work aimed at creating harmony between the activities of Amal and Hizballah, did not meet with Amal's approval and had been disbanded. "It was not long before this chamber ceased activity."

Finally, while the Islamic Republic has tried to show that the effect of Khomeyni's death on Hizballah's activity was minimal, and that the organization was at the height of its power, Nasrullah stated, "I must say that if no steps are taken to counter internal incidents and to end the present regrettable situation, we will not be able to hope for a glowing future for the resistance because it has, to a considerable degree, suffered in a negative way from internal incidents and this effect is evident in the loss of material and human resources as well as on the level of

the freedom of action of the resistance....If the present problems continue, the state of the resistance will worsen daily...."

When Will Hizballah's Life Come to an End

Up to now, discussions and clashes within Lebanon's Hizballah have been limited to political and ideological altercations. But observers of the events in Lebanon now express the view that it is possible that soon these discussions will culminate in a big fight. As long as Hizballah is the beneficiary of a noteworthy sum in financial aid from the Islamic Republic (about \$100 million annually) and in particular, as long as Hafiz al-Asad and his security services profit from protecting Hizballah, its destruction is not so probable. Nevertheless, the incident that took place last 22 September shows to what extent Hizballah is vulnerable to disaster. On that day, Muhammad Husayn Fadhlallah's house, which serves also as his headquarters, was the target of a ground-to-ground missile. At first, it was thought that the missile came from the direction of General 'Awn's troop positions in East Beirut. But after careful investigation, Hizballah's security services discovered that in fact the "Shahid Raghayb Hezb" unit, which is a division of Hizballah, had fired the rocket. Although the individuals who carried out the attempt were all arrested, the Hizballah official who ordered the attack and wanted to kill the religious leader of the movement has not been identified.

Atmosphere of Hostility

To these problems must be added the atmosphere of intense hostility towards Hizballah which prevails in the region. Hizballah's relations with Libya, which seemed very friendly, appear to have ceased to be so after Qadhdhafi's speech at the conference of the heads of Arab states in Casablanca two months ago. Qadhdhafi announced that he would like to see Lebanon rid of all pro-Iranian Shias and that this was the only way to facilitate the solution of the Lebanese problem.

This statement was accompanied by severe criticism of the Islamic Republic and Hizballah. But the ruling mullahs in Tehran, who are afraid to tangle with Qadhdhafi because of the propaganda appeal and insolence of his speeches, refrained from any reply to the Libyan dictator. It is worthy of note that Sheykh Sadeq Khalkhali, who a while ago led a delegation to Libya as a representative of the Islamic Republic, on his return praised Qadhdhafi highly. On 5 Mehr [27 September], Khalkhali said in the Islamic Consultative Assembly, "On the occasion of the 20th anniversary of the Libyan revolution, 20 governments came to express their thanks. They wanted to show that the leader and the nation of Libya are alive, but the likes of Reagan are dead. According to the Imam's last will, we are standing by the people of Libya, Syria, and the oppressed people of the world." But everyone knows that Sadeq Khalkhali praises Qadhdhafi because of the cash "gifts" that this dim-witted executioner of the Islamic Republic receives

from the Libyan ruler. The very day that Khalkhali was making those statements in Iran, the Associated Press reported the speech that Qadhdhafi made in an Islamic seminar which was attended by some mullahs of the Islamic Republic. In his speech, Qadhdhafi referred in passing to the Islamic Republic as the creator of dissension in Islam and called Hizballah a corrupt and money worshipping movement.

Qadhdhafi said, "Today there are totally contradictory movements in Islam. Some of these movements were created by us, some by the Americans, and some by Mosad and the KGB." He added, "There is a wing in these Islamic movements which has adopted secret, harsh, terroristic, and extremist leanings. These people attack Muslims in order to attain power or wealth for themselves." Addressing the approximately 250 mullahs who had come to Tripoli from various countries at the invitation of "The World Council for Invitation to Islam" and the "Islamic Conference Organization" Qadhdhafi said, "If you were capable of sacrificing yourselves, you should have done so in the heights of display. Do not sacrifice yourselves in the streets of Damascus. If we change Islam into a secret project or into bombs and explosives, we would be placing a bomb against Islam. If religion were to resort to bombs, guns, and knives, work in secrecy and destroy Islamic action from within, it would die.... These actions would mean the declaration of the end of Islam, the bankruptcy of Islam, and its weakness for the sake of discussion and resorting to Jihad." In conclusion, the premier leader of Arab terrorism stated in an obvious reference to the Islamic Republic and the pretensions of the mullahs in Tehran, "Internal wars among Muslims benefit only the sworn enemies of Islam such as the Americans and the Israelis. If we portray Islam to the people of the world with bombs, guns, and terrorism, we will have dealt a blow to Islam. Such behavior does not befit a world religion whose adherents comprise a quarter of the world's population."

Hizballah is not on very good terms with Damascus either, although there is a general relationship. The majority of Hizballah's members are critical of Damascus for not having invited Hizballah to participate in the security committee of the tripartite Arab committee supervising the cease fire which was formed last September.

In fact, Syria's present policy towards Lebanon's Shias is based on three principles: to maintain a superior position for Amal as the official representative of the total Shia community of Lebanon; through General 'Ali Duba, chief of the Syrian intelligence and security services, continue to keep in close touch with the affairs of the majority of Hizballah and to hunt down and crush the supporters of Hasan Nasrullah.

Finally, Hizballah, caught between two opposing forces, is the target of the enmity of groups with interests in Lebanon. It is involved in the worst crisis of its life and is hurtling down its final course.

INDIA

New Prime Minister's First Press Conference Reported

Kashmir, Other Matters

46001157 Bombay THE TIMES OF INDIA
in English 16 Dec 89 pp 1, 11

[Text] New Delhi, December 15. The Prime Minister, Mr V.P. Singh, said here today that the was not in favor of anybody taking any precipitate action in Jammu and Kashmir as the situation there was delicate.

But the entire situation was being reviewed and the chief minister would be coming here for an assessment.

Addressing his first formal press conference, Mr V.P. Singh said the release of five ultras for the return of the kidnapped daughter of the Union home minister, Mufti Mohammed Sayeed, was not an act of surrender.

Stating it was not the general policy to release prisoners for hostages, he pointed out that these were special circumstances. "It could have been anyone's daughter," he said.

On the Ramjanambhoomi-Babri masjid controversy, the Punjab issue, the question of reservation and the general increase in violence, Mr V.P. Singh said that discussions would be held at various levels to find amicable solutions to these problems. He also fielded a number of questions on the economic situation and the new government's foreign policy.

The Prime Minister was flanked by the information and broadcasting minister, Mr P. Upendra, and the principal information officer, Mr I. Ram Mohan Rao. Seated on the front rows of Vigyan Bhavan's main auditorium where the press conference was held, were the top brass of the bureaucracy.

Among them were Mr B.G. Deshmukh, Mr T.N. Seshan, Mr Gopi Arora, Mr M.S. Ahluwalia, Mr Vinod Pande and the director-general of Doordarshan and Akashvani. [passage omitted]

On whether he had reopened investigations in the HDW submarine deal—an issue on which he had parted ways with Mr Rajiv Gandhi, the Prime Minister said: "We will review all these matters in due course."

Mr V.P. Singh, is also holding charge of the defence portfolio, said that despite the resource crunch which could affect the defence budget, there would be no compromise with the security of the country. [passage omitted]

The Prime Minister expressed himself in favor of keeping bureaucracy away from political activity. He felt this would be a good corrective to what had happened in the last five years. "We will have to give positive backing to honest, efficient and upright officers" he said.

In his initial remarks, Mr V.P. Singh said the government proposed to bring the Lok Pal bill in the coming session of Parliament as well as a bill giving autonomy to Doordarshan and Akashvani. Judicial and electoral reforms as promised in the National Front manifesto would also be brought in.

The government would also drop certain "undemocratic bills" such as the post and telegraph bill and the proposed 59th amendment bill relating to the fundamental right to life.

Panchayati Raj legislation on the model of what existed in Karnataka, Andhra Pradesh and West Bengal would be introduced to strengthen the country's federal structure and make it a real effort of the people. An inter-state council, as provided in the Constitution, would be set up to strengthen the structure.

Advocating a comprehensive view of all commissions of inquiry, the Prime Minister said that Parliament and the nation must know the outcome of such inquiries and action taken thereafter. He quickly added that action would be taken on the report of the Mishra commission which went into the 1984 anti-Sikh disturbances.

Asked whether the government would table the Thakkar commission report on the Indira Gandhi assassination case in full, together with the report of the special investigation team, Mr V.P. Singh replied that his government would implement this demand which it was making when it was in the opposition.

Regarding the demand for Punjab's autonomy voiced by the UAD [United Akali Dal] (Mann group), Mr V.P. Singh said that a solution would have to be found within the framework of the Constitution only. However, since the all party meeting was slated for December 17, he would not like to go into details.

India's concerns on this issue had been conveyed to Pakistan, he said. Mr V.P. Singh also sought to dispel the impression that a minority government was succumbing to pressures from terrorists.

Pointing out that his was a minority government with majority support, he said there was no question of compromising on the country's territory or partitioning any part of it.

Whether it was Bodo violence in Assam or Naxal violence in Andhra Pradesh, Mr V.P. Singh said there should be an integrated approach to dealing with violence of any kind. [passage omitted]

On the agitation against the policy of reservation in Uttar Pradesh, the Prime Minister justified the policy, stating that unless one made khana-kapda-makan equal for all, socio-economic disparities would continue to exist.

Economic Plans

46001157 Bombay *THE TIMES OF INDIA*
in English 16 Dec 89 pp 1, 11

[Text] New Delhi, Dec. 15. The Prime Minister, Mr V.P. Singh, today declared that he proposed to take "resolute action" to avert an external debt trap.

Without defining the course of action which, he said, would be too early, Mr V.P. Singh said the people would have to be taken into confidence about the state to which the economy had been brought by the previous government.

The economic advisory council to the Prime Minister, headed by Prof Sukhamoy Chakravarty, has been asked to prepare a white paper on the state of the economy. "It would be a benchmark where from we are starting," Mr V.P. Singh said at his first press conference.

He admitted that the balance of payments situation was causing concern to the government. But he did not give a straight answer when asked if he proposed to seek a fresh credit from the International Monetary Fund. "With resolution, action and people's cooperation, we can steer clear of a debt trap," the Prime Minister said.

The government was faced with the difficult issues of deficit-financing and borrowing. Very concrete steps were required to restrain the government from violating financial norms.

Despite the resource crunch, the government would try to fulfill the poll promise of writing off loans to farmers up to Rs 10,000, Mr V.P. Singh said.

He also reiterated that 50 percent of the resources of the Center and state governments would be allocated for rural development. Special attention would be given to promote investment flows into production of mass-consumption items.

The industry, the Prime Minister said, would be given a "positive boost," particularly small-scale and medium industries. Without a strong industrial base, there could not be a "strong India."

Special attention would also be paid by his government to science and technology. A conference of chief ministers would be convened to suggest improvements in land reform laws.

Mr V.P. Singh also announced the holding of a national seminar in the first week of January to consider labor participation in management in public sector undertakings.

He seemed to disown responsibility for the fiscal measures he had initiated when he was the finance minister in Mr Rajiv Gandhi's government. The 1985 budget was not his, but the then government's, he said.

Even then, the Prime Minister pointed out, the share of the direct tax revenue in the total collection had gone up,

with the personal income taxation going up by 45 percent. But these short-term gains were outweighed by certain long-term developments, causing pressure on prices. Money supply itself had gone up by 18 to 19 percent, with the consequent upward pressure on prices.

Without giving details, Mr V.P. Singh said that his government had taken some short-term measures which would soon have their impact on prices. He also gave the assurance that all possible steps would be taken by his government to control black money.

Asked what action he proposed to take against some business houses which had committed economic offenses, the Prime Minister said he had no animus against any person or a particular group. But there was no question of the government giving them immunity, violators would have to face the rigors of the law.

The Prime Minister was asked what action he proposed to take in cases where financial institutions had helped large business houses to take over other firms by cornering their shares. He said that each case would be decided on merit in accordance with the provisions of the law.

Mr V.P. Singh admitted that the severe resources crunch might affect the defence budget also. But the government, he said, would not compromise on security. The government would have to take into account the threats and compulsions from outside.

Terrorism Discussed

46001157 Madras *THE HINDU*
in English 16 Dec 89 p 9

[Article by K. K. Katyal]

[Text] New Delhi, Dec. 15. Spelling out the new government's approach to the problems in Punjab and Jammu and Kashmir, the Prime Minister, Mr V.P. Singh, said they intended to start the search for solutions on the basis of trust and by creating a proper atmosphere. It was not a matter of one party but required national efforts.

The present goings-on in the two troubled States occupied a good part of Mr Singh's 100-minute press conference, his first as Prime Minister. He did not elaborate on the point but was categorical that there could be no compromise with terrorism or with those, set on partitioning the country. He attached great importance to emotional unity which could not be achieved through administrative measures alone.

Regarding the recent kidnap episode, the decisions (to release the five terrorists, for rescuing Ms Rubiya Sayeed), he said, were taken by the State Government in the context of the total situation. The fact that the Home Minister, Mufti Mohammed Sayeed's daughter was involved, according to Mr Singh, did not weigh with the authorities. The approach would have been the same, had it been anybody else's daughter.

No precipitate move: His attention was drawn to the conflicting reports of the State Government's attitude—some saying it did what it ought to have done, others blaming it for dragging its feet at crucial moments. Was any drastic action contemplated in view of the demands for its dismissal or the removal of the Governor? Mr Singh said: "We are reviewing the whole situation. We are assessing the present situation. We will not take any precipitate action. It is a delicate question." Those who took the Farooq Government's early exit for granted will thus have to revise their opinion. Perhaps the pros and cons are being examined.

On Punjab, the Prime Minister did not want to pre-empt the discussions of the all-party meeting, fixed for Sunday. He was queried on the Akali Dal (Mann)'s demand for restricting the Center's powers to four subjects. While disinclined to go into details, he stressed that a solution would have to be within the parameters of the Constitution.

On Bofors the subject of the first question, Mr Singh repeated what he had said after his election as leader of the Janata Parliamentary Party that "law of the land will take its course. There is no question of either diluting it (the resolve to find out the beneficiaries of the kickbacks) or being vindictive about it. What the law dictates, we will implement." Pressed for more information in the light of the Janata Party leaders' promise for a breakthrough within a month, he said: "I told you what we are going to do" His comment was sought on *THE HINDU* report that the Swiss Government awaited a telex message from India to take a decision on the freezing of funds (the kickbacks). He said: "I do not think you will be dissatisfied with our decisions."

On Sri Lanka, Mr Singh took a cautious line (taking into account, on the one hand, his and his party's plea, before the election, for the immediate pull-out of the Indian troops and, on the other, the present "ground realities"). He repeatedly stressed what he had told the Sri Lankan Foreign Minister, Mr Ranjan Wijeratne recently—that the two countries should jointly work out the schedule for the de-induction of the Indian Peace Keeping Force. Mr Singh also seemed conscious of the gravity of the current happenings in the north-eastern area ("can't wish out ground realities"), as also the popular aspirations in regard to the devolution of power, and the concern for the security and safety of the people.

As regards the demands for the disbanding of the Tamil National Army, he merely referred to the existence of the Citizens Volunteers Force and said: "We are in dialogue with the Sri Lanka government on various issues." Will withdrawal be completed by Dec 31? "We are committed to jointly working out expeditious de-induction of forces.

Dialogue with Nepal: As regards Nepal, "we will enter into dialogue" was the only indication of the Government's plan to which it proposed to give high priority.

Mr Singh fielded questions on a wide range of subjects with equanimity, but remained short on specifics, long on generalities.

Sitting along with him were the new Minister for Information and Broadcasting, Mr P. Upendra and the Principal Information Officer, Press Information Bureau, Mr Ram Mohan Rao. The Secretaries of Ministries were present in full force.

Talks on Ayodhya: On Ayodhya, he found too many ifs in a questioner's formulations on what could happen in the near future and said: "We are for an amicable solution. I feel it is possible. We will initiate a dialogue and are hopeful." He defended his meetings with the Imam of Delhi's Jama Masjid and inclusion in the U.P. Ministry (of one known for extreme views on the Ayodhya issue) on the ground that they had to carry along all with them.

Mr Singh parried an awkward query about the dynastic rule in Haryana (induction of the Deputy Prime Minister, Mr Devi Lal's son as Chief Minister saying: "In a democratic set-up, the formal decision is with the people and their representatives." It did not satisfy the questioner who had recalled how the present rulers, when in Opposition, used to make fun of similar arguments, preferred by the Congress(I) in regard to the Nehru family.

But he was more specific in regard to their pre-election demand for re-opening the issues connected with the Indira Gandhi assassination trial and the Thakkar Commission report, and for action against those involved in the 1984 riots. "We made that demand and now we will implement it." On the steps for autonomy to Doordarshan and AIR [All India Radio], he said the law on the subject would be expedited and, meanwhile, the "spirit" (of autonomy) would be evident.

When the attention of Mr Singh, who also holds the charge of Defence was drawn to the exercises, now being conducted by Pakistan and the freezing of the defence budget by India, because of the resource crunch, he agreed that the Pakistan's exercise was one of the largest but said the Directors of Military Operations of the two countries were in touch. He said: "Though certainly we do not want any wasteful expenditure, we cannot compromise our security. Whatever the resource crunch, the minimum defence needs have to be met. The compulsions of the defence budget come from outside the country."

Ambiguity Noted

46001157 Madras *THE HINDU*
in English 16 Dec 89 p 9

[Text] New Delhi, Dec 15. The ambiguity of the answers of the Prime Minister, Mr V.P. Singh at his first press conference today put paid to the expectations of the

newshounds attempting to get a good copy but Mr Singh was sure of what he was saying while facing questions on various issues.

After finding the going rather disappointing, particularly when Mr Singh chose to give his answers in one line, a correspondent asked him as to why he was being vague on important issues being raised in the forum. In a cryptic comment, he said "the charge of vagueness was not new to me. Sometimes even confusion succeeds... One thing I mad add, finally I am not vague."

Perhaps the point was missed in the relaxed atmosphere of the gathering but observers were quick to catch the point made by Mr Singh that he referred to the allegations made against him during his political campaigns and his role in Opposition unity before the election.

Mr Singh, indeed referred to his victory and the success of the Opposition parties at the hustings and even in forming the Government which at one point looked dismal because of the confusion created by the infighting and differences among the constituents of the National Front on one side and within the Janata Dal.

But, a distinctive feature was the relaxed atmosphere both outside and inside the venue of the press conference. The presence of security was minimal and the correspondents could walk into the main hall of Vigyan Bhavan without much of harassment. The security personnel were seen but only in corners.

PTI reports:

"Please put up your number placards so that I know from where the missiles are being fired," remarked Mr Singh, revealing his keen sense of humor and repartee.

Barrage: In the nearly two-hour long press conference reporters had to put up placards to be called on to put their questions. "I hear familiar voices but can't locate them," Mr Singh said as he faced a barrage of questions from over 400 journalists.

"You will risk that danger," he told a reporter who asked him if he still held on to his observation that he would be a "disaster" as a Prime Minister made much before he ascended the high office.

To a question referring to his Government as a minority government Mr Singh corrected the reporter saying "a minority government with majority support."

As journalists showed their anxiety to get their questions on Bachawat report answered, Mr Singh said "You are only shouting the slogan Bachawat. Ask the question."

"How can I walk out of this hall without answering the question on Bachawat. But it will not be a walkout," he said good humouredly as reporters asked him about what the government proposed to do with the implementation of the award for journalists and non-journalists.

About Cabinet expansion and inclusion of the BJP [Bharatiya Janata Party] and the CPI-M [Communist Party of India-Marxist], he asked "when they have said they have extended support from outside, how can they be inside."

Teasers: Mr Singh, often sought to emphasize his friendship with the press through friendly teasers.

On providing housing facility for journalists, he said if press formed an essential part of democracy, then "democracy should be housed."

In his opening remarks, Mr Singh said any press meet with hundreds of journalists present was quite "awesome" but today "I see friendly and familiar faces."

At times, unable to spot the questioner in the jam-packed hall, Mr Singh said he could hear a familiar voice but not see the face. On another occasion, he said he was prepared to meet the "missile" (the question "so long as he knew where it was coming from).

Mr Singh had swift responses for some tough questions, deftly shying away from a direct answer. "It's the people who dismiss (governments)," he said answering a question if the Center would dismiss the Congress-I governments in States.

"How can anyone forget the father of the nation," he said when asked if the omission of mention of the Mahatma in his first national broadcast was inadvertent or reflected the ideological thinking of the government.

Awkward Questions

46001157 Bombay THE TIMES OF INDIA
in English 16 Dec 89 p 24

[Text] New Delhi, December 15. The Prime Minister, Mr V.P. Singh, was either evasive or appeared uncomfortable while fielding some of the more awkward questions in his maiden press conference today.

Among other things, the National Front was committed to ending dynastic rule. Why then was Mr Devi Lal's son installed as Haryana chief minister? Mr V.P. Singh first dismissed it as being a mere statement, not a question.

when he was then asked why dynastic rule was flourishing under the new dispensation, the Prime Minister was evasive. He said: "In a democratic set-up, the final decision is with the people and the representatives of the people."

Asked if the omission of Mahatma Gandhi's name in his first address to the nation was inadvertent or a reflection of his ideological inclinations, Mr V.P. Singh looked uncomfortable and mumbled: "How can anyone forget the father of the nation?"

Soon another googly came his way. He was asked whether he regretted having made the statement that he would be a disaster if he ever became the prime minister.

Mr V.P. Singh paused for a while, before saying: "You still face the danger (of a disaster)".

Then came a bouncer which he had to duck. Reminded that his hiring of the American Fairfax detective agency as finance minister had caused differences between him and Mr Rajiv Gandhi, he was asked if the same policy of hiring foreign agencies would be continued now that he was the helmsman.

The government would have to go by the overall context and the merit of the case, Mr V.P. Singh replied. He would not go beyond that.

His reluctance to elaborate on several issues prompted a newsman to remark that while he was categorical in his election campaign speeches, he was being vague now. Why, he was asked.

Mr V.P. Singh, after a thoughtful pause, said: "The charge of vagueness is not new to me. At times, confusion succeeds." Even as he started the next question, he interrupted himself to return to the former questioner and remarked: "Finally, I will not be vague."

V.P. Singh Explains Position on Bofors Affair

Explanation in Lok Sabha

46001144 Bombay THE TIMES OF INDIA
in English 27 Dec 89 p 1

[Text] New Delhi, Dec 26. The Prime Minister, Mr V.P. Singh, today informed the Rajya Sabha that the Union government has decided to debar the Swedish arms manufacturing company, Bofors, from entering into any contract with India for future supply of weapons or weapon systems.

Mr Singh was replying to a question in his capacity as the defence minister. The question had been asked by Dr Subramaniam Swamy of the Janata party.

Replying to the question, which came at the fag end of the question hour, Mr Singh said the government was pursuing the investigations into the Bofors pay-offs and that it had written to the Swedish government on December 12 asking to expeditiously furnish information on the Bofors case.

Mr Singh said the government had debarred Bofors from all future defence contracts till it satisfied the Indian government about the names of the recipients of the pay-offs in the 155mm howitzer deal and also agreed to return to the Indian government the commission paid in the deal.

Mr Singh made this revelation in response to a supplementary from Dr Swamy when the latter wanted to know if the government had set any deadline for getting to the bottom of the Bofors pay-offs. He also wanted to know whether it would continue to pursue the matter despite speculations in a section of the press that a member of the present Union cabinet may be a "sharer in the loot."

The Prime Minister said there was no question of compromising on anything when it came to getting at the truth about the Bofors pay-offs. He said he had much more information on the Bofors issued and, if the house was willing and the chairman permitted the extension of the question hour, he was willing to share it with the house.

Barely had the Prime Minister started on a sentence about how Mr Arun Singh, the then minister of state for defence, had written a note to the then Prime Minister on June 4 that the opposition Congress benches drowned whatever he was trying to say in noise. They all started shouting simultaneously which was curious because, only a few minutes earlier, the same Congress members were asking the government to come out with facts on Bofors.

The Prime Minister managed to speak one more incomplete sentence about a meeting in the Prime Minister's office on June 4 when the chairman announced that the question hour was over. Immediately, the Union finance minister, Prof Madhu Dandavate, was up on his feet demanding that Mr Singh be allowed to finish his sentence.

Prof Dandavate's point was that if a minister was speaking and the question hour got over, then according to the conventions of the house, the minister should be allowed to finish his sentence. He told the chairman that he would check all the precedents regarding this.

Meanwhile, Dr Subramaniam Swamy sought to suggest that the entire situation had arisen because the ruling party had deliberately taken a long time over the previous question. An agitated Mr Yashwant Sinha of the ruling party was heard telling Dr Swamy that he should ask for a half-an-hour discussion on the subject in writing and then the government could come out with the entire information at its disposal.

Mr A.B. Vajpayee (BJP) [Bharatiya Janata Party] suggested to the chairman, Dr S.D. Sharma, that he could ask the Prime Minister to come to the house and give all details to the house. Mr A.G. Kulkarni (Cong.) also got up to tell the chair that the Prime Minister's sentence was incomplete and that as per the conventions of the house he should have been allowed to finish his sentence.

The chairman responded by saying that there was a distinction between completing a sentence and completing a statement. He claimed that he had waited for the Prime Minister to complete his sentence before announcing that the question hour was over. Prof Dandavate related his own experience as a minister earlier and how he had always been allowed to finish his sentence when the question hour ended. However, he said that the chairman must have taken the decision he did in his own best judgement.

Dr Sharma then quoted his legislative experience of over 30 years, his study of legislative procedure at Cambridge University as well as the fact that the chair's decision was

final in all such matters to defend his decision. He said that Prof Dandavate was the last person he expected to question his judgement. At this, Prof Dandavate, clarified that, compared to the chairman's legislative experience, his own experience was virtually nil and that he wanted to make it clear that he was not questioning his ruling.

While this polite exchange was going on, the Prime Minister sat in the house but the chair did not call upon him to say anything. Meanwhile, some members submitted a notice for a half-an-hour debate on the issue.

Text of 29 Dec Statement

46001144 Madras THE HINDU
in English 30 Dec 89 p 7

[Text] New Delhi, Dec 29. The following is the text of the statement made by the Prime Minister, Mr V.P. Singh, on the Bofors issue in the Lok Sabha today:

Sir,

Even since the news broke in April 1987 that large payments had been made as commissions by Bofors into secret Swiss bank accounts in connection with the 155 mm gun contract with the Government of India [GOI], the entire nation has been most anxious to know all the facts. The Government of India immediately came out with the statement that the new item was false, baseless and mischievous. The then Government also said that during negotiations it had "made it clear that the Company should not pay any money to any person in connection with the contract." Many felt assured that the Government would deal effectively with the culprits because the statement also promised that "any breach of this policy by anyone will be most severely dealt with."

A few days later in April 1987, the then Minister of defence stated in Parliament that the Government did not approve of the appointment of Indian agents acting for foreign suppliers and that the Defence Secretary had told the companies bidding for the contract that the Government of India will disqualify a firm in case it comes to notice that an agent had been appointed by a foreign firm.

The Report of the Swedish National Audit Bureau was made available to Government in June 1987. Even though a vital portion of this Report was withheld by the Swedish Government, it clearly established that very large payments had been made by Bofors to various persons in connection with the Indian contract. This demolished the then Government's case that the allegations earlier made in the media were false and baseless.

The records show that there was a flurry of activity on the receipt of the Swedish National Audit Bureau Report. The then Government immediately took the decision to go about setting up a Joint Parliamentary Committee to enquire into the whole matter. The then

Rajya Raksha Mantri, Shri Arun Singh, recorded a note on 10th June 1987, which I would like to quote in full. It reads as follows:

"On 4 June, in meeting held in PMO [Prime Minister's Office], we were informed that the Swedish Government had forwarded a copy of their National Audit Bureau Report on the "Bofors" case to our Government and that the Swedes were going to make the document public based on various discussions held in CCPA [Cabinet Committee on Public Accounts]. Cabinet and with Opposition leaders. Government of India announced its decision to establish a Parliamentary Committee to examine the Swedish findings etc. Since then no further discussions have been held with us and no further announcements made. In sum, the Swedes have confirmed the following:

- (a) Payments of 1,00,000 SAK per month to Anatronc General Corporation in India.
- (b) Payments of 31.5 million SAK to an account in Switzerland in November/December 86. The payee is not stated but could be "Lotus" (Whoever that is?)
- (c) Payments of something between 175-250 million SAK as "winding-up" charges to "others."

In replying to the debate in the Rajya Sabha, I had made the following basic points:

- (a) GOI policy was that no payments were to be made to anyone as commission in relation to this contract.
- (b) This policy had been communicated both to the company (Bofors) and to the Swedish Government.
- (c) This communication had been understood by both those parties and they had recommended that understanding to us.
- (d) Therefore, if any payments had been made, "there must be something wrong with that payment."

Taking this logic further, I then went on to say that we as Government are very interested in finding out if anything has been paid and, to quote: "If we find something has been paid, we will definitely pursue each of these questions: What? When? Where? How? To Whom? and Why?" It is my understanding that the National Audit Bureau Report as confirmed unequivocally that payments have been made and I stand by my statement in the Rajya Sabha that such payments are grossly violative of all stated GOI policy as communicated to and understood by both Bofors and the Swedish Government. It must therefore follow that we as GOI must pursue this matter to a logical conclusion in terms of the questions I myself had posed in my reply to the debate. Given the above, I have taken the liberty of asking officers of the Department of Defence to draft two letters—one to Bofors and one to the Swedish Government. In these we are seeking answers to our questions. I recommend that we send these to our Ambassador in Sweden for him to deliver. We should be told that he should inform both

the Swedish Government and the company that unless they give us the information we want, we will have no alternative but to cancel the contract for the FH 77 B 155 mm howitzers.

I am fully cognizant of the fact that this cancellation will have some negative impact on our Defence preparedness but you may like to reconfirm with COAS [Chief of Army Staff] whether we can live with that. In my view we must be prepared to go to this extent of cancellation because our very credibility as a Government is at stake and what is worse, the credibility of the entire process of Defence acquisitions is also at stake.

I would be most grateful if this note and the draft letters could be forwarded by you to the Prime Minister after you have seen them."

Shri Arun Singh put up this note to the then Raksha Mantri, Shri K.C. Pant, with the request that the note along with the draft letters proposed to be addressed to Bofors and to the Swedish Government be forwarded to the Prime Minister. Shri Pant signed this note in endorsement on 11th June 87 and put it up to the former Prime Minister.

On this, the former Prime Minister recorded a minute which reads as follows:

"It is unfortunate that MOS/AS has put his personal prestige above the security of the nation before even evaluating all aspects. I appreciate his feelings as he had been dealing with Def almost completely on his own with my full support but that is not adequate reason to be ready to compromise the security of the nation. Has he evaluated the actual position vis-a-vis security? Has he evaluated the financial loss of a cancellation? Has he evaluated the degree of breach of contract by Bofors if any? Has he evaluated the consequences for all future defence purchases if we cancel a contract unilaterally? Has he evaluated how rival manufacturers behave in the future? Has he evaluated how GOI prestige will plummet if we unilaterally cancel a contract that has riot been violated? To the best of my belief the Swedish Audit report upholds GOI position and does not contradict it. What we need to do is to get to the roots and find out what precisely has been happening and who all are involved. Kneejerk reactions and stomach cramps will not serve any purpose. RRM has run the Ministry fairly well but there is no reason to panic, specially if one's conscience is clear."

Unfortunately, this minute recorded by the then Prime Minister on 15th June 1987 was received in the Ministry of Defence only on 21st July 1987 a few days after Shri Arun Singh demitted office on 18th July 87. In the meantime, however, communications were sent to the Swedish Government and to Bofors. The Ministry of Defence wrote a strong letter on 16th June 1987 to Bofors charging them with violation of the contract and

breach of a solemn assurance that no agent or middleman would be employed by them and demanding full and detailed information from the Company with regard to these payments.

Towards the end of June 1987, the Ministry also sought the opinion of the Attorney General for India. In his opinion, received on 4th July 1987, the AG expressed the view that "if AB Bofors have engaged an Indian agent, it is contrary to the condition precedent to the contract and Government of India has an option either to treat them as a breach and sue them for damages or to keep alive the contract and sue them for breach of warranty." He also maintained that there could be "no other payment which they could legitimately make for winding up of any alleged agency agreement as nothing of that sort was disclosed by them to Government of India except the service contract on payment of 100,000 SEK per month."

The AG also expressed the view that "Bofors has no right to claim that the Company has to maintain secrecy as of utmost importance especially within Defence area. He said that if the matter goes into arbitration or to Court, it would be governed by Indian law and Bofors "will be bound to disclose the particulars of the alleged middlemen and the payments made to them. The AG went on to advise that "the Government should take a firm stand even to the extent of threatening Bofors with the consequences of termination of the contract in view of the breach committed by them of the conditions precedent to the contract." At the same time, the AG cautioned that "in the event of cancellation, litigation by way of arbitration is inevitable. Though the Government of India has a strong case, one cannot always predict the outcome of litigation or arbitration."

The AG also noted that the Government may have to make alternative arrangements for the purchase of guns, if required. But "if Bofors persist and continue to adopt this persistent attitude of non-disclosure, there seems to be no other option left for the Government than taking stern steps."

Then there is the recommendation made by the former Chief of Army Staff, General Sundarji, conveyed in two notes in June-July 1987. His notes dated 15th July 87 which is similar to the one recorded on 13th June 1987 reads as follows:

"Reference discussion in RRM(A)'s office of this morning. My views on the strategic implications are contained in the succeeding paragraphs.

"It is essential that we get the full information as to the moneys paid to various individuals by Bofors or their agents in connection with the gun deal. They may readily give us this information; however, we should go to the extent of threatening to cancel our contracts if they do not part with this information.

"M/s Bofors have invested vast amounts, marshalled a large workforce and commissioned a number of sub-contractors to execute the contract. A threat to cancel the contract will hurt them enough to make them understand the inescapable requirement to part with complete information.

"If the threat does not work, and in the worst case leads to the cancellation of the contract, I believe that the delay in procurement of 155 mm guns would perhaps to about 18 months to 2 years. I believe that we could live with this delay and take a calculated risk. Negotiations will have to be reopened soonest with France and the UK, so that we can get a near matching weapon system to fill the large void in vital artillery support to our field formations. If we negotiate with both France and the UK, the former will not be able to hike up their prices.

"In sum, I recommend that in the interest of vindicating National Honor we apply full pressure on Bofors to part with the information needed for legal action against the culprits and accept the risk that this might in the worst case lead to a cancellation of the contract."

The first and only significant disclosures by Bofors were made in their discussions with the officers of the Government of India in September 1987. It then came out that an amount in excess of 319 million kroner, corresponding to Rs 64 crores at the then prevailing rate of exchange, had been paid by Bofors to three companies, namely, Svenska, AE Services and Pitco-Moresco-Moineao. Even though the record of discussion stands already published in the various newspapers, it would be useful to take note of certain facts contained in the records. While giving details, Bofors admitted that in the case of the Moresco the payments were made into code-named accounts viz that of Lotus. They have also admitted that except for Moresco, the payments were made through normal banking channels. It is interesting that payments to Moresco were not made through banking channels. Prime facie, this is strong evidence to indicate the clandestine nature of these irregular payments.

Certain definite conclusions emerge from the facts recapitulated by me on the basis of the record. In brief these are:

One, that Bofors committed a violation of the contract and a breach of solemn assurances not to use agents or middlemen in connection with the Indian contract. This conclusion has been clearly recorded in June 87 by the Defence Secretary, by Shri Arun Singh, Minister of State, and by the defence Minister, Shri K.C. Pant. It was also the opinion given by the Attorney General for India on 4th July 1987.

Two, it was also established that Bofors had paid large sums of money relating to the Indian contract and had entered into an agreement with one company, namely, AE Services, in November 1985, well after they were clearly informed of Government of India policy in May

1985. It is of course obvious that they did not agree to divulge this information to the Government of India despite repeated requests.

Three, legal opinion is available on record, holding that the company's conduct amounted to an actionable wrong and that the Government were entitled to know the names of the recipients and to recover the amounts.

It is established on record that the officers and Ministers concerned at that time were all of the view that action should be taken against Bofors on these grounds. This was supported by legal opinion. In fact the Attorney General also mentioned in his opinion that if Bofors plea of secrecy were tenable then, and I quote, "they can violate the condition precedent insisted upon by the Government of India and agreed to by them to the effect that there should be no middlemen. They can with impunity enter into a contract with a middlemen and on the pretext of secrecy can refuse to divulge particulars. This cannot be the true position...." unquote in other words, the condition itself becomes futile if they are allowed with impunity to void disclosing the details.

The decision of the present government to debar Bofors from future contracts is a natural consequence of the facts established and the views available on the records of the Defence Ministry.

As regards the existing contracts it is important to recognize that the situation prevailing in 1987 was one in which a cancellation, or the threat of cancellation, would have been very effective. In mid-1987, the fulfillment of the contract was still in the initial stages and its cancellation, therefore, would have meant a real and significant loss of business to the supplier. Moreover, the consequent loss of employment may well have caused serious concern not merely to Bofors but also in other quarters. Of the two contracts, namely, the supply Contract and the Licence Agreement for Licence Production in India, the Supply Contract stands nearly fulfilled and the Company has already received the bulk of the payment due to them.

The preparatory work for the implementation of the Licence Agreement is near the stage of finalization, but its implementation has not commenced. We have now to review all relevant aspects pertaining to these contracts.

The enquiries conducted so far have failed to inspire public confidence. Only a preliminary enquiry has been instituted by the CBI [Central Bureau of Investigation] as late as in November 1988 and that too for tax evasion and concealment of income. The Public Prosecutor of Stockholm in Sweden had started enquiries in this case and had made a request for assistance through Interpol in September 87. This request was considered in a meeting held on 1st October 1987, taken by the Home Minister, and attended by the Minister of State, Shri Chidambaram, Special Secretary (A) of PNO [PMO?] and Defence Secretary, and it was decided to divert this request to JPC [Joint Parliamentary Committee]. It

seems that no response was made and no cooperation was extended to the Public Prosecutor in Stockholm, Sweden.

As regards the exercise undertaken by the JPC in which the Opposition parties declined to participate it is too well-known for me to repeat it again here. Considerable time has elapsed since the allegation was first made in April 87 and those involved in the case have had plenty of time and opportunity to cover the tracks and build up their alibis. This is a situation which we have inherited.

Our first step has been to expeditiously review the relevant records and to re-assess the existing position with a view to re-vitalizing the investigative effort necessary in this case. We have also issued order to debar Bofors from future contracts, as I said earlier, thereby putting the Company on notice that we mean business.

In conclusion, I would like to reiterate the resolve of this Government to enforce the law, recover the amounts paid and ascertain the identity of the recipients. There is no compromise on this. For if no action is taken on default of such a contract condition, parties to future contracts would not be deterred from violating such conditions in the future. We have instructed the investigative agencies to pursue their inquiries and investigations as per law. At the Government level, the review of the whole case is under way and very soon the matter is going to be taken up with the foreign Governments through diplomatic channels and with the Swiss authorities in terms of the Memorandum of Understanding between India and Switzerland. I would like to assure the House that this matter will be pursued to its logical conclusion keeping the Parliament and the people informed of progress.

Thank you.

Deputy Prime Minister Appointment Ruled Lawful

*46001150 Madras THE HINDU
in English 8 Dec 89 p 4*

[Text] Madras, Dec 7. "The Constitution being an organic document, so long as its basic structure is not tampered with, the creation of the post of Deputy Prime Minister which may subserve the purpose of proper advice being tendered by the Council of Ministers to the President, will have the sanction of Law," Mr. Justice S. Ramalingam observed in the Madras High Court today, dismissing a writ petition challenging the appointment of Mr Devi Lal as the Deputy Prime Minister of the National Front Government.

A quo warranto petition was filed by Mr R. Muthukrishnan, advocate, to direct Mr Devi Lal to explain under what authority he was holding the post and to set it aside. He also sought an interim injunction restraining him from holding the post and discharging duties pending disposal of the petition.

Mr Justice Remalingam said: "It is the consensus among constitutional lawyers and jurists that the Constitution should not be verbose but should contain the barest minimum. In a Cabinet form of a Government, a quasi-federal structure, the Constitution of India has heavily taken inspiration from the unwritten Constitution of England the Constitutions of USA, the French Republic and Australia. In the working of the Constitution, conventions have been developed from time to time to suit the demands of development in progress. The U.S. Constitution has been developed by judicial interpretation by enlarging the scope of "due process of law" and "inter-State trade and commerce" clauses. Exceptional circumstances may require the device of exceptional solutions.

The Judge referred to the petitioner's submission that there was no specific provision in the Constitution for the creation of the post of Deputy Prime Minister and that Article 74 spoke of only the post of the P.S. and a Council of Ministers to aid and advise the President. He pointed out that it was not as if the creation of a post should have its source only in the express provisions of the Constitution. A convention has developed over the years of not only having a body of Cabinet Ministers, Deputy Ministers and Ministers of State. It would be impossible to search into the provisions of the Constitution for the appointment of Parliamentarians as Ministers of State or as Deputy Ministers.

No provision: According to the petitioner, the Judge said, there were constitutional provisions for creating the posts of the President, the Vice-President, Speaker, Deputy Speaker and the like, but there was no express provision for creating the post of a Dy. P.M. Merely because there were certain constitutional functionaries, it did not mean that other posts could not come into existence.

The petitioner's another contention was that there was a bar on any person being appointed as a Minister if he held any other "office of profit" in the State. He argued that in this case, Mr Devi Lal continued to be the Chief Minister of Haryana until the time he was sworn in as Dy. P.M. and consequently his appointment was vitiated.

The Judge said, the counsel for the petitioner frankly admitted that Mr Devi Lal had tendered his resignation even in the forenoon of December 2. The counsel was not in a position to state when that resignation was accepted. On such a hypothetical issue and in the absence of clear and categorical proof about the time when the tendered resignation was accepted, it would be impossible for the petitioner to make out a case that the swearing-in of Mr Devi Lal as Deputy Prime Minister was contrary to Law.

On the submission that when there was a P.M. and a Dy. P.M. and if both of them were to tender advice to the President and the same was not uniform, it would create a constitutional deadlock, the judge said, this again was

hypothetical. The advice to be tendered to the President is by a Council of Ministers and not by any individual Minister. Since none of the points raised by the petitioner merited acceptance, the Judge dismissed the petition.

The petitioner in his affidavit said that in view of the fact that the office of the Dy. P.M. had nowhere been contemplated under the Constitution, Mr Devi Lal's appointment was bad. The Constitution-makers had never intended to create or recognize this post. Otherwise, there would have been a specific mention under Art. 74. The post could not also be created by any statute.

More Appointments to Senior Government Posts Reported

Food Minister Sworn In

46001152 Madras THE HINDU
in English 9 Dec 89 p 1

[Text] New Delhi, Dec 8. Mr Nathu Ram Mirdha was sworn in as a member of the Union Cabinet today. he would hold the portfolio of food and civil supplies.

Mr Mirdha was administered the oath of office and secrecy by the President, Mr R. Venkataraman. With this, the strength of the Central Ministers holding Cabinet rank has gone up to 18.

Sixtyeight-year-old Mr Mirdha was to be sworn in on Monday, along with the others, but could not make it to Delhi from Jaipur in time. He was elected to the Lok Sabha on a Janata Dal ticket from Nagaur in Rajasthan.

Among those present at the swearing-in at the Yellow Room of the Rashtrapati Bhavan were the Prime Minister, Mr V.P. Singh, and members of his Cabinet.

Mr Mirdha had defeated the former Union Textiles Minister, Mr Ram Nivas Mirdha, in Nagaur.

New Attorney General

46001152 Madras THE HINDU
in English 9 Dec 89 p 1

[Text] New Delhi, Dec 8. Eminent jurist Mr Soli J. Sorabjee was today appointed the Attorney-General of India for three years.

Mr Sorabjee succeeds Mr K. Parasaran, who resigned earlier this week as "a matter of convention" following the change of Government at the Center.

Mr Sorabjee has served as additional Solicitor General and Solicitor General from April 1977 to January 1980.

The Government has accepted the resignations of Mr Parasaran, the Additional Solicitor-General, Mr G. Ramaswamy and Mr B. Dutta, a Law Ministry spokesman said.

New Finance Secretary

46001152 Madras *THE HINDU*
in English 12 Dec 89 p 1

[Text] New Delhi, Dec 11. As a first step towards changes in the top bureaucratic set up at the Center, the Union Government today decided to appoint Dr Bimal Jalan as the new Finance Secretary. He will take over from Mr Gopi Arora, who is being sent to the International Monetary Fund as an Executive Director in place of Dr Jalan, who was earlier the Chief Economic Adviser and Secretary, Banking at the Center.

While the decision to this effect is understood to have been taken at the level of the Prime Minister, further changes are expected in top echelons of the bureaucracy shortly, according to informed sources.

In the case of Planning Commission, the sources said resignation letters of all the former members—Mr Abid Hussain, Dr Raja Chelliah, Dr Y.K. Alag, Mr Hiten Bhैया, Mr P.N. Shrivastava and Dr M.G.K. Menon—have been accepted by the Government. Among the new members likely to be inducted into the Planning Commission are Mr L.C. Jain, Ms Ila Bhat, Prof A. Vaidyanathan, Prof Rajni Kothari, Prof A.K. Ghosh, Mr Amulya Reddy and Mr H.K. Paranjpe.

New Chief Justice

46001152 Bombay *THE TIMES OF INDIA*
in English 13 Dec 89 p 1

[Text] New Delhi, Dec 12 (PTI): Mr Justice Sabyasachi Mukharji will be the next chief justice of India.

Mr Justice Mukharji will succeed Mr Justice E.S. Venkataramiah who retires on December 18 on attaining the age of 65.

Mr Justice Mukharji's appointment was today announced by the President's secretariat.

Lok Sabha Speaker

46001152 Bombay *THE TIMES OF INDIA*
in English 20 Dec 89 p 1

[Text] New Delhi, Dec 19: Mr Rabi Ray, veteran socialist leader, was unanimously elected speaker of the ninth Lok Sabha today, marking what is hailed as a good augury for the smooth functioning of the house by leaders of various political parties.

The election of the 63-year-old leader to the high office was announced by the protem speaker, Mr N.G. Ranga, after the house adopted by a voice vote a motion moved by the deputy prime minister, Mr Devi Lal, sponsoring his candidature. It was seconded by Mr Manubhai Kotadia, minister of state for water resources.

Mr Ray, who was elected from kendrapara in Orissa on the Janata Dal ticket, was escorted to the podium by the Prime Minister and leader of the house, Mr V.P. Singh, Mr Devi Lal, the leader of the opposition, Mr Rajiv

Gandhi, the minister for parliamentary affairs, Mr P. Upendra, Mrs Vijayaraje Scindia of the Bharatiya Janata Party, Mr Somnath Chatterjee of the CPM [Marxist Communist Party] and Mr Indrajit Gupta of the CPI [Communist Party of India].

Leaders of all parties welcomed the choice of Mr Ray and pledged their support to him in conducting the proceedings in a congenial atmosphere.

Biographical Details, Comment on New Cabinet

Ministers Sworn in 5 Dec

46001147 Madras *THE HINDU*
in English 6 Dec 89 pp 6-7

[Text] The following are the profiles of Union Ministers sworn in today:

Madhu Dandavate

A senior Janata Dal leader and Lok Sabha member from Rajapur, Maharashtra, Mr Madhu Dandavate is a veteran Opposition leader and a distinguished parliamentarian.

A former Minister of Railways in the Janata Government, Mr Dandavate took active part in the nation's struggle for freedom and participated in the 1942 Quit India movement. During the Goa liberation struggle, he led a batch of satyagrahis into Goa.

He also took an active part in the Samyukta Maharashtra movement for the formation of Maharashtra through the merger of all Marathi-speaking areas. He participated in the land liberation movement in 1969.

Born on January 21, 1924, at Ahmednagar in Maharashtra, Mr Dandavate was educated at the Royal Institute of Science in Bombay, receiving a post-graduate degree in Physics.

He joined the Praja Socialist party in 1948 and became chairman of the party's Maharashtra's State unit. Later he became joint secretary of the All-India PSP [Praja Socialist Party]. He became the general secretary of the Socialist party after the merger of the Praja Socialist party and the SSP [Samyukta Socialist Party].

Mr Dandavate was a member of the Maharashtra Legislative Council in 1970-71. He was elected to the Lok Sabha from Rajapur in 1971 as a PSP nominee. Since then, he has been representing the same constituency in the Lok Sabha. In 1975, he was arrested under MISA [Maintenance of Internal Security Act] and detained for 18 months.

A keen student of physical sciences, particularly nuclear physics, Mr Dandavate was vice-principal and head of the department of physics in Siddhartha College of Arts and Science, Bombay, till June 1971.

Apart from being widely travelled, Mr Dandavate is a voracious reader and prolific writer. He has published a

number of books, including, *Gandhiji's Impact on Socialist Thinking, Three Decades of Indian Communism and Marx and Gandhi*.

I. K. Gujral

For Mr Inder Kumar Gujral, who turned 70 on Monday, the election as a Member of Parliament and subsequently elevation as Minister marks a return to active politics after a break of almost a decade.

The last public office held by him was that of Indian Ambassador to the Soviet Union, from 1976 to 1980.

Born in Jhelum on December 4, 1919, Mr Gujral was educated in Jhelum and the DAV College, Lahore. He is a graduate in commerce and a post-graduate in economics.

After Partition, the Gujral family settled in Jalandhar. Mr Gujral was a Member of Parliament from 1964 to 1976. He was first elevated as a Minister in Indira Gandhi's Cabinet in 1967. In the next decade, he served various Ministries—Information and Broadcasting, Housing, Planning, Communication and Parliamentary Affairs.

Father of two sons, Mr Gujral is married to Mrs Sheila Gujral, writer and poetess.

George Fernandes

Veteran trade unionist and Lohiaite socialist, Mr George Fernandes returns to the Government after a gap of 10 years. He was the Industry Minister in Mr Morarji Desai's Janata Government.

Born on June 3, 1930, in Mangalore, Mr Fernandes has been a chequered career, full of ups and downs. His parents wanted him to be ordained as a priest and he actually studied philosophy at a seminary in Bangalore. But he ended up as a trade unionist in Bombay.

Mr Fernandes was first elected to the Lok Sabha in 1967 when he trounced S. K. Patil, a Congress stalwart of the time, in South Bombay. He, however, failed to retain the seat in 1971.

He led the railwaymen's strike in 1974, put up underground resistance against the 1975 Emergency and was subsequently arrested and tried in the Baroda dynamite case.

He made his re-entry into the Lok Sabha in 1977, winning the Muzaffarpur seat by a margin of over three lakh votes without visiting the constituency even once. He retained the seat in 1980, but lost it in 1984.

Mr Fernandes again won the seat with a huge margin in the recent election.

Ajit Singh

Mr Ajit Singh, the secretary-general of the Janata Dal and a Lok Sabha member from Baghpur, U.P. [Uttar

Pradesh], is the son of late Prime Minister, Charan Singh and an heir to his leadership of the Jat community.

A computer engineer by profession, Mr Singh joined politics in 1987 when he took charge of the Lok Dal affairs as its general secretary at the time of Charan Singh's illness.

After Charan Singh's death in May, 1987, Mr Ajit Singh became the president of the Ajit faction of the Lok Dal which underwent a split with H. N. Bahuguna along with Mr Devi Lal, staking claim to the party presidentship.

However, with the subsequent merger of the Lok Dal (A) with the Janata party in Mar, 1988, Mr Ajit Singh replaced Mr Chandra Shekhar as the party's president who stepped down to elevate the former to the coveted post.

Mr Ajit Singh became the secretary-general of the Janata Dal at the time of its formation in October, 1988.

Arif Mohammad Khan

Mr Arif Mohammad Khan became a rallying point for progressive sections in the Muslim community when he resigned from the Rajiv Gandhi Cabinet in February, 1986, over the controversial Muslim Women (Protection of Rights on Divorce) Bill, which he maintained, was aimed at appeasing religious fundamentalists.

He was one of the few Ministers belonging to the community to take a public stand in favor of the Supreme Court judgment in the Shah Bano case, upholding the rights of a divorced Muslim woman. When the Rajiv Gandhi Government brought a Bill to nullify the court verdict, he fell out with Mr Gandhi.

Born in November, 1951, in Barwala village of Bulandshahr district in Uttar Pradesh, Mr Khan was involved in politics right from his school days.

As a student leader, Mr Khan was in the Swatantra party and later the Bharatiya Kranti Dal of Charan Singh. He was detained during the Emergency and wrote his law degree examination while in prison.

He was elected to the U.P. Assembly in 1977 on a Janata ticket and became the youngest Minister, holding charge of Excise and Wakfs. Three months in office, he resigned from the Government over its handling of the Lucknow Sunni-Shia riot.

In 1978, he joined the Congress (I) and won the Kanpur Lok Sabha seat in 1980 to become a Deputy Minister at the Center. Four years later, he was re-elected to the Lok Sabha from Bahraich and became a Minister of State in the Rajiv Gandhi Cabinet.

After resigning from the Congress (I), Mr Khan launched the Jan Morcha with Mr V. P. Singh and others.

Nilamani Routray

Seventy-year old Mr Nilamani Routray entered public life with his deep involvement in the freedom movement.

During his over four-decade-old association with legislative affairs, he was Minister in Orissa for several terms and Chief Minister during the 1977-80 period.

Born in May 1920 in Mukandapur village in Balasore district, Mr Routray was elected to the State Assembly in 1948 from Soro constituency. He became a Deputy Minister in 1952 and a Minister in 1957. He was made the State's Home Minister in 1962 and Deputy Chief Minister twice—in 1964 and 1971.

Mr Routray was president of the Pradesh Congress Committee from 1967 to 1970. As a freedom fighter, he had been arrested many times during his school and college days and expelled from the Patna University.

M. S. Gurupadaswamy

Mr M. S. Gurupadaswamy, 67, is no stranger to a Ministerial post as he had served as Minister of State for Food and Agriculture in Indira Gandhi's cabinet in late 1960s.

A law graduate from Karnataka, he quit the ruling party after the 1969 Congress split. He was on the side of the 'Syndicate' led by Mr Nijalingappa.

From the Opposition ranks, he rose to become the leader of the Janata party in the Rajya Sabha in 1980s.

A student leader, Mr Gurupadaswamy also wielded pen and edited "Prajamata", published from Bangalore. He had participated in the freedom struggle and organized social works in villages and urban areas.

He had served as Member of the Parliamentary Committee on Public undertakings, the Chanda Committee on Information and Broadcasting, and the Committee of Privileges and Advisory Committee of the Rajya Sabha.

Arun Nehru

Mr Arun Kumar Nehru, senior Janata Dal leader and a close ally of the Prime Minister, Mr V. P. Singh, has come a long way since he was inducted into politics by Indira Gandhi.

A top business executive, Mr Nehru entered politics formally in 1980 and wielded considerable influence in Congress (I) affairs and running of the party during Indira Gandhi's days.

A scion of the Nehru clan, he became her close adviser and confidant and subsequently, her son, Mr Rajiv Gandhi's.

He continued to play an important role from behind the scenes till 1980 when he contested the Lok Sabha election from Rae Bareilly, a constituency which returned him again in 1984.

Mr Nehru wielded considerable influence after Mr Rajiv Gandhi's installation as Prime Minister.

Sharad Yadav

Mr Sharad Yadav, newly elected M.P. from Badaun in Uttar Pradesh, was a prominent and powerful student leader of Madhya Pradesh.

Born at Babi in Hoshangabad district on July 1, 1945, he was drawn to the Lok Nayak Jaya Prakash Narayan's movement and at the age of 29, he was the youngest member of the sixth Lok Sabha when he was elected from Jabalpur.

Mr Yadav was president of the Madhya Pradesh Samajwadi Yuvjan Sabha and headed the Jabalpur University Students' Union.

A post-graduate in mathematics, he won a gold medal in the bachelor's examination in engineering.

Mr Yadav was detained under MISA during the Emergency twice for his involvement in the teachers' agitation and students' movement against unemployment and corruption and spent over than 30 months in jail.

A follower of Ram Manohar Lohia, his special interests are literature, music and space science.

Mufti Mohd. Sayeed

Mufti Mohammed Sayeed who has had a chequered career, resigned from the Rajiv Gandhi Government in 1987 following differences over the handling of the situation in Kashmir as also the communal riots in Meerut.

Born on January 12, 1936, in Bijbehara in Anantnag district of the Kashmir valley, the Mufti joined politics in 1959 and played a leading role in Democratic National Congress led by G. M. Sadiq.

In 1962, the Mufti was elected to the State Assembly from Bijbehara. In 1967, the Mufti was reelected from Bijbehara and was inducted as a Deputy Minister in the G. M. Sadiq Ministry.

In 1972, when Sayed Mir Qasim became the Chief Minister following the death of Sadiq, the Mufti was elevated to the Cabinet rank.

In 1975, after the Indira Gandhi-Sheikh Abdullah accord, the Mufti became the president of the Jammu and Kashmir Congress.

The Mufti stood up to the political challenge of the Sheikh, leader of the National Conference, and organized huge rallies even in areas supposed to be National Conference strongholds.

The Mufti was elected to the Rajya Sabha from Kashmir in 1987. After quitting as Tourism Minister in the Rajiv Gandhi Government in July 1987, he declared his allegiance to the Jan Morcha as a result of which he was suspended from the Congress (I). He lost his Rajya Sabha seat because of his allegiance to the Janata Dal.

Ram Vilas Paswan

The National Front general secretary, Mr Ram Vilas Paswan, hogged the limelight with his win over his nearest rival, Mr Mahavir Paswan, of the Congress (I) by the largest margin of about five lakhs votes in the 1989 elections to the Lok Sabha.

Mr Paswan, who started his political career in his student days, had been with the Samajwadi Socialist Party (SSP) and the Bharatiya Lok Dal. He was elected to the Lok Sabha in 1977 and 1980. Earlier, he was an MLA [Member of Legislative Assembly] in 1969 and the secretary of the Bihar unit of the SSP and that of the BLD [Bharatiya Lok Dal] in 1974.

P. Upendra

Mr Parvathaneni Upendra, leader of the Telugu Desam parliamentary party and a spokesman of the National Front, is a Rajya Sabha member from Andhra Pradesh.

The 53-year-old bureaucrat-turned-politician hails from a family of freedom fighters involved in the satyagraha for a separate Andhra State. He was arrested in this connection in 1952.

Actively involved with the consumer cooperative movement in West Bengal, he served as an assistant to Mr Madhu Dandavate when he was the Railway Minister during the Janata rule in 1977-80.

He was in the Indian Railway Service for 25 years. In 1983, he left Government service to join the Telugu Desam.

Mr Upendra was honored by the West Bengal Government for his role in maintaining communal harmony in Calcutta while the Indian Government bestowed on him three special awards for meritorious service in the Railways.

With his special interest in external affairs, defence, information and planning, Mr Upendra has contributed articles to newspapers and journals. He was elected to the Rajya Sabha in April 1984.

Mr Upendra, born on July 14, 1936, was educated in the Andhra University, Waltair, and the University of Madras.

He has been an active floor leader of the Telugu Desam in the Rajya Sabha after the party captured power in Andhra Pradesh.

Murasoli Maran

Mr Murasoli Maran, a well-known figure in Tamil journalism, had his baptism in politics when he was arrested in 1965 for writing fiery articles during the anti-Hindi agitation. He was detained under MISA for a year during the emergency and suffered physical injuries during detention.

Mr Maran, a nephew of the Tamil Nadu Chief Minister, Mr M. Karunanidhi, has a series of publications to his credit. He is the editor of Murasoli, a daily in Tamil, which is the organ of the DMK [Dravidian Progressive Foundation]. He was elected to the Rajya Sabha in July, 1977, and re-elected in July, 1983.

Mr Maran, an M. A. in economics, plunged into active politics right from his student days when he started a magazine in a manuscript form and developed his contacts in politics. During his college days, he played a major role joining the Murasoli when Mr Karunanidhi was its editor.

He has been the recipient of the State Government's "Kalaimamani" award for his contribution to the film industry. He scripted about 32 films and directed 10.

Mr Maran was first elected to the fourth Lok Sabha and again to the fifth Lok Sabha. In 1977 after he lost to the President, Mr R. Venkataraman, then a Congress (I) candidate in South Madras, Mr Maran shifted to the Rajya Sabha in July. He continues to be a Rajya Sabha member and is the leader of the DMK Parliamentary Party.

He has also authored books on Center-State relations, State autonomy and written short stories in Tamil.

K. P. Unnikrishnan

The once 'blue-eyed' boy of Indira Gandhi, Mr K. P. Unnikrishnan is no stranger to the rough and tumble of politics.

Having returned to the Lok Sabha for a fifth consecutive time from Badagara constituency in Kerala, the Congress (S) leader has come a long way since he quit the fourth estate to join national politics.

He caught the attention of the then Prime Minister in the early Seventies and was made convener of the Congress Socialist Forum. But he parted company with Indira Gandhi in 1978 on issues like the Emergency excesses, the role of Sanjay Gandhi and inner party democracy, to become the general secretary of the Congress (S).

All along, he has remained a votary of parliamentary reforms and stressed the need for making the structure more relevant to the people's needs.

By his own admission, his best years in Parliament were as a member of the Opposition, when he helped expose the \$11 millions payoff by the Shah of Iran during the

Emergency and the Kuo oil deal, which he claims, he highlighted even before it came out in the press.

Dinesh Goswami

The Asom Gana Parishad (AGP) representative in the National Front Government is Mr Dinesh Goswami, an advocate by training.

The 44-year-old Mr Goswami began his political career as a Congressman and was a member of the executive committee of the party in Parliament from 1973 to 1979. He was also a member of the working committee of the AICC [All India Congress Committee].

Mr Goswami was a member of the Lok Sabha from 1971 to 1977 and was in the Rajya Sabha from 1978 to 1983.

An able parliamentarian, Mr Goswami quit the Congress (I) and joined the Assam movement in 1985. He was elected to the Lok Sabha from Assam. He resigned from the Lok Sabha when the entire Opposition quit. He did not contest the current poll as no elections were held from Assam.

A keen cricketer and a radio commentator in cricket and football, Mr Goswami has also written three one act plays broadcast by AIR [All India Radio], Guwahati and a number of literary pieces in Assamese. He was co-editor of "Motilal Nehru—a Great Patriot and Vithalbhai Patel—Patriot and President."

He has visited the Soviet Union, the U.K., the U.S., France, the West Germany, Canada, Iran, Venezuela and Nepal.

Maneka Gandhi

"Given a choice, I will opt for the environment portfolio for everything begins and ends with that," said the Janata Dal General Secretary, Ms Maneka Gandhi, in a recent interview to a Bombay magazine.

Ms Gandhi, who was elected to the Lok Sabha from Pilbhit constituency in Uttar Pradesh, said, "I want to be in a position where I can re-green India."

Ms Gandhi's concern for the plight of animals and the environment has not been limited just to her columns, but has increasingly taken the shape of a personal campaign highlighted by her recent dramatic appearance at the agitation against the Narmada dam project.

Nine years after her husband, Sanjay Gandhi's death in a plane crash, she is on the comeback trail to political power and prestige. Her appointment earlier this year as general secretary of the Janata Dal had given her access to political prominence.

Ms Gandhi's presence on the dais amidst a galaxy of Opposition leaders at Mr Devi Lal's birthday celebrations two months ago merely confirmed her growing status in the opposition politics.

A "never say die spirit" enabled the young widow to withstand a series of shocks starting from her husband's death, to her ejection from the family home, the tragic suicide of her father, Col. Anand, and a humiliating defeat in the 1984 poll when she fought against Mr Rajiv Gandhi in Amethi.

Manubhai Kotadia

Mr Manubhai Kotadia, the lone representative from Gujarat in the Union Council of Ministers, is a new entrant to the Lok Sabha.

Mr Kotadia, 54, who was sworn in along with the other Ministers this evening, was elected to the Lok Sabha from the Amreli constituency of Gujarat.

Mr Kotadia, a farmer by occupation, is active in the cooperative movement and has served as vice-chairman of the Gujarat State Cooperative Marketing Federation Limited (GUJCOMASOL). He was also been on the board of directors of IFFCO [Indian Farmers Fertilizer Corporation].

As an MLA, Mr Kotadia had worked for five years as Chairman of the Public Accounts Committee and three years as Chairman of the Estimates Committee.

New Science Minister

46001147 Bombay THE TIMES OF INDIA
in English 19 Dec 89 p 7

[Text] New Delhi, Dec 18 (PTI). Mambilikalathil Govind Kumar Menon a renowned cosmic ray physicist is the first scientist to become minister of science and technology in independent India.

Mr Menon, a renowned cosmic ray physicist and a close associate of the late Homi Bhabha, has held key positions in the departments of electronics, defence research, science and technology, and the planning commission in the Congress governments.

He was the former prime minister, Mr Rajiv Gandhi's science adviser.

Born on August 28, 1928, Mr Menon obtained his early education from Agra and Bombay Universities. He received his doctorate degree from the University of Bristol where he worked with Prof C. F. Powell, a Nobel laureate.

He joined the Tata Institute of Fundamental Research in 1955 and became its director in 1966. In 1975, the late Prime Minister, Mrs Indira Gandhi, made him adviser to the defence minister.

Prof Menon was awarded Padmashri in 1961 and Padma Bhushan in 1968.

A fellow of the Royal Society of London, Prof Menon was president of the Indian National Science Academy (1974-76) and was also chairperson of the United

Nation's advisory committee on the application of science and technology to development.

He was elected president of the international council of scientific unions in 1986.

As a scientist, Prof Menon is internationally known for his work on elementary particles and cosmic rays. His work leading to the discovery of the decay modes of heavy mesons and hyperons opened a new era in particle physics.

Prof Menon was appointed chairperson of the electronics commission (1971-78), defence science adviser (1975-78), director-general of the council of scientific and industrial research (1978-81), secretary of department of science and technology (1978-82), secretary, department of environment (1980-82). He became member of the planning commission in 1983.

In an informal chat with reporters, the Prime Minister, Mr V. P. Singh, said the induction of Prof Menon into the council of ministers was in recognition of the role of scientists in shaping the country's destiny.

The experience of a scientist of international repute like Prof Menon, both in planning and science and technology, is expected to sustain developmental activities, he said.

Mr Singh said justice had not been done to the science and technology department so far as it was under the charge of the Prime Minister who was pre-occupied with other matters.

Reassurance Offered

46001147 Madras *THE HINDU*
in English 7 Dec 89 p 8

[Text] With only 20 members, the process of ministry making at the Center would seem to be as yet incomplete. Yet the contours of the new dispensation are clear enough and offer a great deal of reassurance. In the first place, even if the new team is not bursting with talent it is no less competent than any of the ministries of the recent period. Every one of the ministers has a substantial political record, and half of them possess administrative experience at the Central or the State level. Secondly, given the balance of forces within the National Front and the Janata Dal and Mr V.P. Singh's commitment to collective and democratic functioning, the style and manner of working of the new Government bids fair to be qualitatively different from what the people have seen of the previous regime in which all power and all moves originated from the Prime Minister's office. The people do expect that Mr V.P. Singh's apparatus will be a healthier and more open one, with decisions taken on the basis of political judgment and not through an excessive reliance on the intelligence set up—or, for that matter the wisdom and supposed miracle working capabilities of a coterie. By its very nature, the new administration may well turn out to be more responsive to the

needs and sentiments of the people even if, at times, it may appear cacophonous and much less orderly than the old ones.

In the allocation of portfolios, Mr Devi Lal has got Agriculture, a subject his heart should be in. The Home portfolio is a particularly sensitive one now in the context of the changes in Punjab, the Ramjanmabhoomi-Babri Masjid controversy and the portents in Jammu and Kashmir. The choice of Mr Mufti Mohammed Sayed is full of meaning; it should send reassuring signals to the minorities even while indicating that the new government would not go out of the way to humor the Bharatiya Janata Party. It is perhaps his quest for relative freedom to devote time to the planning of party and government strategy that has landed Mr Arun Nehru Commerce. But it is by no means a light portfolio; rare drive and efficiency are needed in tackling the major challenges on the export front. The all important area of Finance has gone to the veteran, Mr Madhu Dandavate, offering the assurance that it is in safe hands. Mr George Fernandes with his long association with the Railways as a labor leader has his task cut out in building upon the good work done by his predecessor, Mr Madhav Rao Scindia. Political strength, rather than administrative experience, is obviously the consideration behind the decision to entrust the weighty portfolio of Industry to Mr Ajit Singh, but his modern outlook and background as a technocrat should stand him in good stead. With his years in government and experience in diplomacy, Mr I.K. Gujral was an automatic choice for External Affairs; here, the Prime Minister will have to depend a great deal on his guidance. Mr. Arif Mohammed Khan, who quit the Rajiv Gandhi administration on his principled opposition to the Muslim Women's Bill, gets back his old charge of Energy along with Civil Aviation. Mr K.P. Unnikrishnan, Mr M.S. Gurupadaswamy, Mr P. Uppendra and Mr Murasoli Maran representing the South could be expected to carry out their tasks with quiet competence. Mrs Maneka Gandhi with her dedication to the cause of the environment and animal welfare would seem a good choice for Environment and Forests. Some of the major areas including Law and Communications are without separate Ministers. The Prime Minister himself has retained several portfolios, though how long he would be able to keep a vital area such as Defence in the midst of his preoccupations with running the delicately poised Government remains to be seen. Punjab, communalism and separatism are no doubt major political challenges. But the task on the economic front is equally daunting. The Finance, Industry and the Commerce ministries have a pivotal role to play in preparing for the new thrust which Mr Singh wants to give to the governance of the country. Over the years they have tended to become overbearing and to concentrate all powers in their hands. The new Government should change all this and make for a functionally separated and depoliticized management of the economy. It should strengthen the independence and professional functioning of leading public institutions such as the Reserve Bank besides a host of public sector undertakings.

Cabinet Committees To Formulate Policies Appointed

46001153 Madras *THE HINDU*
in English 9 Dec 89 p 1

[Text] New Delhi, Dec 8. Five Cabinet committees have been set up to formulate policies on some of the major issues which the National Front highlighted in its election manifesto.

The situation in Punjab and Jammu and Kashmir will be studied by a four-member committee headed by the Union Home Minister, Mr Mufti Mohammad Sayeed. Its other members are: Mr I. K. Gujral, Union Minister for External Affairs; Mr George Fernandes, Union Minister for Railways; and Mr Madhu Dandavate, Union Minister for Finance. This is part of the initiative promised by the new Government to resolve tensions in these two sensitive States.

The question of rising prices and the means to control them would be examined by a committee consisting of Mr Madhu Dandavate (Chairman), Mr AJit Singh, Union Minister of Industry; Mr N. R. Mirdha, Union Minister of Food and Civil Supplies; Mr Arun Nehru, Union Minister for Commerce and Tourism; Mr Arif Mohammed Khan, Union Minister for Energy and Civil Aviation; and Mr M. S. Gurupadaswamy, Union Minister of Petroleum and Chemicals.

The committee on Panchayati Raj is headed by the Deputy Prime Minister and the Union Minister for Agriculture, Mr Devi Lal and comprises Mr Sharad Yadav, Union Minister for Textiles and Food Processing Industries; Mr N. R. Mirdha, Union Minister of Food and Civil Supplies; Mr P. Upendra, Union Minister of Information and Broadcasting and Parliamentary Affairs; Mr Ram Vilas Paswan, Union Minister of Labor and Welfare; and Mr Nilamani Routray, Union Minister of Health and Family Welfare.

The proposal to make right to information a constitutional right is to be examined by a committee chaired by I. K. Gujral. Its other members would be: Mufti Mohammad Sayeed, Mr P. Upendra, Mr K. P. Unnikrishnan, Union Minister for Surface Transport and Mr George Fernandes.

Yet another committee will go into the question of right to work being made a fundamental right. Chaired by Mr Madhu Dandavate, it will consist of Mr George Fernandes, Mr Sharad Yadav, Mr Dinesh Goswami, Union Minister of Steel and Mines and Law and Justice; Mr Ram Vilas Paswan, and Mr Murasoli Maran, Union Minister of Urban Development.

The Deputy Chairman of the Planning Commission, Mr Ramakrishna Hegde, will be a special invitee to the committees on Panchayati Raj, Right to Information and Right to Work.

Planning Commission Reconstituted

Members' Names Announced

46001169 Madras *THE HINDU*
in English 23 Dec 89 p 1

[Text] New Delhi, Dec 22. The much-awaited reconstitution of the Planning Commission was announced tonight along with a major reshuffle of Secretaries to various Central Ministries.

The strength of Planning Commission has been raised from 8 to 11 including the Chairman and Deputy Chairman. The members are Dr J.D. Sethi, Dr Rajani Kothari, Dr L.C. Jain, Mrs Ela Bhat, Dr Arun Ghose, Dr A. Vaidhyanathan, Mr Rehmathulla Ansari, Mr T.N. Seshan and Dr Harswarup Singh.

Contrary to earlier indications none of the existing members has been retained. At one stage it was indicated that Dr Raja Chellaiah may be retained.

Mr. V.C. Pandey, who was in the Finance Ministry during Mr V.P. Singh's tenure as Finance Minister and who was later shifted to the Department of Rural Development, has now been made the Cabinet Secretary. He is succeeded in the rural development by Mr K.D. Vasudeva, at present Secretary in the development of fertilizer.

Mrs Otima Bordia, Secretary, Department of Industrial Development has been shifted to Department of Fertilizer and her place will be taken by Mr A.N. Varma, at present Secretary in the Ministry of Commerce. Mr S.P. Shukla, Secretary, Department of Women and Children has been appointed Secretary in the Department of Commerce.

Mrs Meera Seth, Secretary in the Department of Family Welfare, will be the new Secretary to the Department of Women and Children.

Mr J.M. Khureshi, Special Secretary in the Ministry of Home Affairs has been appointed Secretary, Department of Family Welfare. Mr V.P. Marwah, director General of National Security Guards has been appointed Special Secretary in the Ministry of Home Affairs.

Hegde Press Conference

46001169 Madras *THE HINDU*
in English 14 Dec 89 p 6

[Text] New Delhi, Dec. 13. The Planning Commission will be reconstituted in a couple of days and the reconstituted Commission will, inter alia, take a fresh look at the ever-increasing Central and Centrally-sponsored Schemes and the pet schemes of the previous regime like the Jawahar Rozgar Yojana and the Indira Mahila Yojana.

The Deputy Chairman of the Planning Commission, Mr Ramakrishna Hegde, who announced this at his first press conference here today, said that Chief Ministers of

States ruled by parties other than the ruling party at the Center, would be associated with the deliberations of the Planning Commission in order to make planning a national endeavour. Three Chief Ministers will be associated for a one-year period and, by rotation all the States will be covered.

Mr Hegde also announced the Government's intention to restore to the Planning Commission the prestige, the authority and the status it enjoyed when it was set up and said that a Bill to amend the Constitution to provide for a constitutional status for the Commission would be introduced later.

Constitutional Status: He said that if the Commission is to be the fountain-head of planning and development, it needed to have this prestige and status. In reply to a question, he said that a constitutional status was necessary to prevent its being tinkered by the Government of the day. He noted that if the Finance Commission did not enjoy constitutional status, by now it would also have been downgraded as the Planning Commission and the Reserve Bank of India had been done.

About the review of the Central and Centrally-sponsored schemes, Mr Hegde recalled the heated debate on this issue a few years ago when Chief Ministers had expressed the view at a meeting of the National Development Council that Central and Centrally-sponsored schemes should be cut down to the minimum. This was taken into account in 1977-1979, but their number started rising later. Today, there were 260 such schemes involving a total outlay of Rs 16,000 crores. "I firmly believe that there should be more and more of schemes sponsored by panchayats, zilla parishads and the State Governments and less and less of Centrally sponsored schemes", he added.

On the Jawahar Rozgar Rojana, he noted that this scheme was not there when the Seventh Plan was formulated and no Chief Minister was taken into confidence when it was launched. The Indira Mahila Yojana was announced by the Prime Minister on the eve of the elections without any clearance from the Planning Commission. "Why have a Planning Commission in that case," he asked, and added that though the Prime Minister happened to be Chairman of the Planning Commission, whatever the Prime Minister announced would not become a part of the Plan.

Priorities and Resources: The Planning Commission had to examine various aspects including the resources required and available before any programme became part of the Plan. The Indira Mahila Yojana, was estimated to involve an outlay of Rs 5,000 crores and did the former Prime Minister ever think where from this money would come, Mr Hegde asked. He, however, made it clear that the new Commission would not give up any scheme simply because it was proposed by the previous regime. Each of these programmes would be

reviewed from the point of view of whether it fitted in with the priorities of the Government and the availability of resources.

No Plan Holiday or Rolling Plan: About the Eighth Plan, Mr Hegde asserted that there would be no Plan holiday. He also ruled out a rolling Plan. He said that even the approach paper had not yet been approved. So the first task was to look into it and see how far it conformed to the policies of the new Government. Since the new Government had certain fundamental differences with the views and policies of the previous Government a change was absolutely necessary and the Commission would decide to what extent, change, modification, curtailment or addition should be made in the draft approach paper.

Mr Hegde also expressed his intention to revive planning forums that were in vogue during Nehru's days. There were planning forums in educational institutions that ensured the involvement of youth in the process.

Basic Ideas of New Government: In a prepared opening statement, Mr Hegde explained the basic ideas of the National Front Government on planning and development. He said: "In order that a 'new direction' is given to planning and development we must first create an atmosphere in which this becomes possible. Such an atmosphere can be created only with the cooperation of diverse social segments in a spirit of open interaction, dialogue and debate. A lot of wholly new thinking on the basic postulates of the development process needs to be undertaken if planning is to become an instrument of social justice, economic emancipation, people's participation and cultural regeneration."

"Unfortunately, in recent years the kind of development that has been pursued has produced wide disparities and growing marginalization of millions of our countrymen, created a dualist economy and social structure and given rise to the phenomenon of two Indians." To make development once again an agent of social transformation and people's liberation it will be necessary to restore to planned development its autonomy from outside interference, either of Government or of vested interests (domestic and global) and, to subject it to continuous scrutiny from forums of public opinion, academic institutions and intellectuals and, above all, people's organization of a variety of kinds.

Holistic Endeavour: Mr Hegde said development had to be thought of as a holistic endeavor, inter-relating various dimensions, sectors and disciplines. Secondly, one should think of development in political terms, as part of the process of creating a democratic, just and decentralized social order. For this, it would not be enough merely to work closely with different Ministries and departments of the Government at the Center and in the States and at levels below the State with a view to creating such an order, but also to depend on people's efforts and organizations over the whole spectrum of civil society. It had been a mistake to think of development as a task

undertaken by the State only. It was one in which the whole of civil society participated.

Fullest Participation: "It was in the light of this overall perspective that Mr Hegde wanted the conception, role, organization and structure of the Planning Commission evolved. "We need to think of planning as a collective exercise. If planning is for change and transformation, it is not something that can be entrusted to the Planning Commission only. It is the task and responsibility of all. When we began the process of planning in the early Fifties this was indeed the conception. All over the academic structure and in various other places, there used to be planning forums in which the young and the old, women and men, contributed. We need to return to that conception, perhaps with an even greater sense of sharing and participation that was originally visualized, both because we are up against an uphill task and because we have available to us a vast repertoire of skills and expertise commitments and innovative experiments. There is need for the fullest possible participation of all these—women's organizations, environmental groups, those struggling at the grassroots and in diverse cultural settings, academic bodies, forums of public opinion and mass communication."

The Planning Commission itself will be no more than an enabling forum that will draw its mandate from such participation and will carry out that mandate through active collaboration with all such organizations through continuous interaction and common programming with them."

Autonomy: According to him, the Commission will itself seek to be autonomous of various interests, including of the Government itself. In turn, it will respect and promote the autonomy of all collaborating bodies. What is sought is not a distribution of patronage and largesse, but rather a process of working together, decentralizing initiative and letting the civic order decide what the State should undertake and on whose behalf. The main job of the Planning Commission is to design priorities, assign tasks and commitments and continuously remind the functioning units of Governments at various levels of their respective duties and responsibilities."

It has been a mistake to think of the Commission as primarily a disburser of funds. Funds must follow priorities, not the other way round. And priorities are not to be fixed 'up there' and sent 'down.' It should be the other way round. He also did not want the Planning Commission to be looked upon as a bureaucratic superstructure through whose vast jungle the basic ideas and principles of democratic planning got stymied and paralyzed. Steps would be taken to streamline the whole edifice of planning to make it responsive to people's needs and aspirations," he promised.

Central Role to Development: Mr Hegde noted that the Members of the Commission had themselves been

drawn from distinctive and plural backgrounds, representing an array of achievements, expertise and experience. They should be looked upon as essentially the brains trust of the planning process. As for ex-officio membership from the Government, there would be representatives of both the Central and the State Governments. Apart from the Prime Minister who was Chairman of the Commission, the Deputy Prime Minister and the Minister of Finance will be included. There would be three Chief Ministers representing different parties who will hold office by rotation. "In short, the whole effort will be to restore to 'development' its centrality in nation-building and to do this by tying together diverse capacities and experiences into one common pool—at the Planning Commission, in its relationship with various States and other forums, and through independent initiatives and self-assertion of diverse entities throughout the national fabric," he added.

The new Government attached great importance to the Planning Commission which would be given a constitutional status. This, in turn, would enable the Commission to draw upon the large repertoire of capacity and knowledge existing in the country.

Government Policy on Media Freedom Explained

Information Minister's Remarks

46001145 Madras THE HINDU
in English 9 Dec 89 p 1

[Text] Hyderabad, Dec 8. Pending adoption of a Bill for giving autonomy to All India Radio and Doordarshan, the Union Minister for Information and Broadcasting, Mr P. Upendra, has announced that there would be no interference from the Prime Minister's office or any Minister in the selection of news stories by these two media. He said that at his meeting with the top officials of these two media, he made it clear that there was no need to get in touch with the Prime Minister or any Minister just because of their positions and that stories should be chosen only on merit.

Addressing a "meet the press" programme here, Mr Upendra said he has also ordered that the "unwritten ban" of the Doordarshan on certain film artistes, directors and songs should be lifted with immediate effect. He said the officers had admitted before him that there was such a oral ban in Doordarshan. Mr Upendra said no special treatment need be shown to any film personality either.

He was replying to a question about the total blackout of films in which Mr N.T. Rama Rao had acted during the past seven years. About films which denigrated Mr Rama Rao, Mr Upendra said that the Censor Boards should have been more careful in certifying such films, "which also failed to make money at box office". Mr Upendra said he has called for the list of newly appointed members of Film Censor Boards at various centers, "because I found that merit was not the only

consideration in choosing them, and, if we find anyone not hesitate to remove them”.

Order on newsprint concession: Mr Upendra said the previous Government had decided to give a concession of Rs 700 a tonne on the cost of newsprint to small papers, and Rs 350 for medium papers, but orders were not issued. He announced that a notification incorporating these concessions would be issued on Monday.

Mr Upendra reiterated the National Front's determination to protect the freedom of the press and not to undertake any measure to restrict this freedom and to give complete autonomy to AIR and Doordarshan.

The Union Minister said that the Prime Minister, Mr Viswanath Pratap Singh, and the other Ministers had decided that they did not require any propaganda for themselves in the official media and these media should give priority to events of interest to the people. That was why only one engagement of the Prime Minister in Punjab was shown on Doordarshan, while he fulfilled three other public engagements which were not shown on TV.

Working paper on autonomy: Mr Upendra said he has started discussions on the preparation of a working paper on grant of autonomy to the two media and a Bill would be introduced in the next session of Parliament and would hopefully be adopted at the Budget session.

The Union Minister said that just as the Prime Minister Addressed the nation on the Government media after taking charge, the facility would be extended to the Chief Ministers of Andhra Pradesh, Uttar Pradesh and Karnataka also, if they desired so.

Mr Upendra said he did not know why the Prime Minister had chosen him for this portfolio but he would be glad to work for full autonomy and wind up the department. About the second channel on television, Mr Upendra said the new move was to protect Doordarshan from the Central Government control and it follows that the second channel, where it existed, would be protected from the State Government's control. Asked how he viewed the shape of autonomy, Mr Upendra said Doordarshan has already its crew, news staff and stringers and they would be free to choose stories for telecast without any pressure from the Government. Asked what would happen if this resulted in vulgarization or display of obscenity, Mr Upendra said the existing ground rules would be implemented.

Asked why film institutes could not be set up in some southern centers, Mr Upendra said he was going to inspect the Poona Institute because of complaints about its working and would have talks with the film industry representatives in January. If there is any need, the Government would consider opening such institutes elsewhere in the country, he said.

Telecast of Parliament proceedings: Asked whether the Government would permit live telecast of Parliament

and Assembly proceedings, Mr Upendra said a decision on this had to be based on a consensus, but he favored such a proposal. Such a telecast was demanded in the past so that the people can see how their representatives fared in the Legislature and Parliament and what issues were raised, etc.

Mr Upendra said he would consider a proposal to establish film archives in Madras and Hyderabad for Tamil and Telugu films.

Autonomy for Radio

46001145 Bombay THE TIMES OF INDIA
in English 17 Dec 89 p 1

[Article by Usha Rai]

[Text] New Delhi, Dec 16. Doordarshan and All India Radio are to function as two wings of an autonomous corporation which will have the same status as the Union Public Service Commission [UPSC] and the Election Commission.

A cabinet paper on the new status proposed for the electronic media says the corporation will be headed by a chairman-cum-managing director (CMD). The CMD will be appointed by the President for a tenure of three or five years.

There seems to be some difference of opinion between the Prime Minister, Mr V.P. Singh, and the information and broadcasting minister, Mr P. Upendra, on the tenure of the CMD. While Mr Singh favors a five-year term, Mr Upendra has suggested a three-year term.

To ensure a sustained independent functioning of the CMD, the cabinet paper says he will not be sacked unless it is ratified by a two-third majority in Parliament. Till the charter of the corporation, based on the 1927 charter of the British Broadcasting Corporation (BBC), is framed, Mr Bhaskar Ghosh, recently posted as the additional secretary, information and broadcasting, is to function as the CMD.

A permanent CMD will be chosen by a panel of eminent citizens, at least 11 in number, including the chief justice of India and the chairman of the UPSC. The panel will list three names, of whom one will be chosen by the cabinet.

The CMD will report to a board of directors.

There has been a lot of criticism about the consumer goods advertised by Doordarshan as sponsors of various programmes. These advertisements of fast foods and luxury gadgets have only widened the gap between the urban "haves" and the rural "have-nots". The cabinet note says, "The corporation will be committed to society and its budget will not be dictated by soap and biscuit manufacturer."

The new corporation will be financed by the government in the same way as it finances the UPSC and the election

commission. In any case, the revenue earned by Doordarshan last year was only Rs 170 crores and its expenditure Rs 300 crores.

The autonomy proposed will be akin to what was spelled out by the Akash Bharati report of Mr B.G. Verghese. But what exactly the new corporation will be called is not known.

The reason why the corporation is being set up in what seems an undue haste is the feeling that "action should be taken before the arteries harden", before the "in" politicians get a taste of the power of the electronic media.

Among the people associated with the restructuring of Doordarshan and AIR are Mr I.K. Gujral, the present external affairs minister, who was the information and broadcasting minister in the 1970s, Mr Rajmohan Gandhi and Mr Verghese.

Both Mr Suresh Mathur and Mr B. Ghosh were hand picked for the posts of secretary and additional secretary, information and broadcasting, because of their direct association with AIR [All India Radio] and Doordarshan, respectively, as director and director-general.

The independence and credibility that Mr Ghosh brought to Doordarshan in his tenure there angered Congress politicians and he was booted out. The new government is now tapping his experience to bring back credibility to the electronic media.

The government, in its endeavour to start on a clean slate, virtually forced Mr Suman Dubey, the additional secretary in the ministry and friend of Mr Rajiv Gandhi, to resign.

When Mr Ghosh was moved from culture to information and broadcasting last week, Mr B.G. Deshmukh, principal secretary to the Prime Minister, asked Mr Singh if he had any objection to having two additional secretaries to a ministry. The Prime Minister had no objection but Mr Upendra put his foot down, saying, "You cannot have someone from the old guard when you are trying to give a new direction to the electronic media".

After the cabinet approval, the report will be presented as a bill to Parliament. The Prime Minister, at his first press conference, said the new bill would be introduced in the very first session of Parliament.

Conduct of Elections Reviewed, Statistics Noted

Electoral Officers Meet

46001146 Madras THE HINDU
in English 15 Dec 89 p 1

[Text] New Delhi, Dec 14. In a frank appraisal of the just-concluded general elections to the Lok Sabha, the Chief Election Commissioner, Mr R.V.S. Peri Sastri, today blamed the State Governments and the parties in power in them for the poll violence and incidents like

booth-capturing and called for more stringent measures to ensure that once elections were announced, the Government functioned scrupulously as a caretaker Government.

"When an incident of forceful booth-capture takes place, it is a clear case of failure of the law and order authorities, not of the electoral authorities", he observed, while addressing the one-day meeting of the Chief Electoral Officers held here to review the Lok Sabha elections and to take stock of the state of preparedness for the coming Assembly elections in nine States and one Union Territory.

Mr Sastri said that both before and during the election process, the Government should take special precautions to ensure and should be seen to ensure that the official machinery and official positions were not used, directly or indirectly, in any manner whatsoever for furthering the interests of the party in power. The officials concerned with elections, including the law and order machinery, should not be influenced, pressured or misused in any way. Laws were there for these but they had to be voluntarily observed.

Use of Circuit Houses

At one stage, Mr Sastri referred to what he termed as a disturbing report from one of the Election Commission observers in a State that a Minister booked for himself and his entourage throughout the election period six rooms in the Circuit House and got extensive structural changes made in the building, with telephone provided, all at Government expense.

He felt that the model code of conduct should be modified to provide that in the matter of accommodation in Circuit Houses, etc. Ministers who were candidates or who were on election duty for party purposes, were treated on the same footing as private individuals.

Mr Sastri also suggested amendment of the law to provide that any Minister interfering with or influencing the formation of polling parties, or location of polling stations in a clandestine manner, should not only be disqualified, but also be debarred from holding public office for at least a decade.

Expiry of Assembly Term

The deliberations were held in the context of the Assembly elections falling due in the next few months. In Manipur, the term of the present Assembly will expire on February 17, 1990. In Gujarat, Himachal Pradesh and Orissa, the term will expire in the first fortnight of March 1990. In Arunachal Pradesh, Madhya Pradesh, Maharashtra, Rajasthan, and Pondicherry the term of the Assembly will expire in the second fortnight of March 1990. The Bihar Assembly's term will expire on April 1990.

The elections in these States may not be held along with that in Manipur as earlier indicated. This is because

during the discussion today, a proposal was mooted for a special short revision of electoral rolls in the light of complaints received during the Lok Sabha poll about omission of a large number of names in the electoral rolls. In these cases, draft rolls will be published on December 20 and, after a short revision the final rolls will be published on January 15. The elections will be held later. In Manipur, the elections will have to be held earlier as the new Assembly should be elected by February 17.

In Punjab, holding of Assembly elections will depend on the Government's decision to terminate President's rule. The term of the Metropolitan Council of Delhi is already under extension and holding of elections will depend on whether the Government decides to confer Statehood or not. Mr Sastri said the Election Commission would have to interact with the Home Ministry before evolving any programme of holding elections in Punjab and Delhi.

Statistics on Voting

46001146 Madras *THE HINDU*
in English 6 Dec 89 p 4

[Text] New Delhi, Dec 5. Nearly 57 percent of the successful candidates in the recent Lok Sabha elections registered decisive victories with nearly 300 of the 525 winners getting elected on a majority vote.

While 225 of them got between 50 and 60 percent of the votes, at least 70 winners obtained between 60 and 70 percent votes, according to a preliminary computer analysis of the results.

At least four candidates had the distinction of polling over 80 percent of the votes. They were Mr S.S. Mann (89.19), from Taran Taran, Mr Ram Vilas Paswan (82 percent), Janata Dal leader from Hajipur, Mr Chun Chun Yadav (JD, 81.53 percent) from Bhagalpur and Mr Prataprao Baburao Bhosale (Cong-I, 81.94 percent) from Satara.

Big margins: While Mr Paswan won by a margin of over five lakh votes, Mr Yadav and Mr Mann trounced their nearest rivals by over four lakh-votes. Mr Bhosale's victory margin was over three lakh votes.

Andhra Pradesh, Tamil Nadu and West Bengal accounted for the maximum number of winners getting through majority votes. These three States accounted for 34, 30 and 27 winners.

Among the parties, the Congress(I) had the maximum number of winners (105) with a majority vote, most of them polling between 50 and 60 percent votes. Their share of winners registering victories with over 60 percent votes was less—only 17 of them were in this category.

Tamil Nadu accounted for the maximum number of winners (17) among the States polling over 60 percent of the votes.

Except during the 1952 and 1962 elections, the electorate has continued to maintain the trend of returning more than half the members of the Lok Sabha on a majority vote.

Only in 1952 and 1962 did less than half of the successful candidates win on majority votes when 47 percent (234/489) and 42 percent (208/494) of the winners respectively polled more than 50 percent votes.

The maximum number of decisive victories was recorded during the Janata wave in 1977 when over 87 percent of the winners (475 out of 542) polled more than half of the votes cast.

Communist strength: The communists—CPI(M) [Communist Party of India-Marxist] and CPI [Communist Party of India]—have increased their combined representation by nearly 40 percent. The CPI(M) has increased its representation by 10 seats to 32 while the CPI shows a 100 percent improvement, boosting its representation to 12 from six.

Paradoxically, the CPI having gained in terms of seats has shown a drop in terms of popular vote with the party getting 2.2 percent of the votes against the 2.7 percent it received in 1984.

The CPI(M), however, has shown an increase in votes corresponding to the number of seats it gained. The party received 10.01 percent of the votes in 1989 compared to 5.7 in 1984.

In addition, the CPI(M) has the satisfaction of retaining its hold on its citadel—West Bengal.

Communist leaders concede that their performance was poor in Kerala, where the Left Democratic Front was unable to improve on its tally of three seats in 1984, and in Tamil Nadu and Andhra Pradesh, the two communist parties suffered as a result of the anti-establishment vote in these States. Both parties have performed better in the Hindi belt picking up seats in Uttar Pradesh, Bihar and Rajasthan.

Since 1967, the CPI(M)'s best performance was in 1980 when it had 36 members of Parliament, while for CPI the best years were 1967 and 1971 when it had 22 representatives in Parliament—PTI.

CPI-M Politburo Statement Scores Hindu Parishad

46001156 Bombay *THE TIMES OF INDIA*
in English 15 Dec 89 p 3

[Text] New Delhi, Dec 14. The latest provocative stand of the Vishwa Hindu Parishad [VHP] and the Dharmathan Mukti Yojna Samiti is calculated to instigate the majority community against the minorities and will only worsen communal tensions, the CPM [Marxist Communist Party] said yesterday.

In a statement, the party's politburo disapproved the stand of the Samiti and the VHP on the Babri Masjid-Ramjanambhoomi dispute publicized yesterday.

It accused the two organizations of adopting a provocative stand at a time when the new government was trying to tackle problems threatening national unity inherited from the previous Congress government.

The CPM noted that the Samiti had asked the government to hand over the disputed site to the Hindus, had described shilanyas as a symbol of the re-establishment of a Hindu rashtra in Bharat varsha, and declared, above all, that it would continue efforts to get mosques demolished in Mathura and Varanasi in order to construct temples at those sites.

It was imperative, the party noted, that the National Front government immediately call an all-party meeting to discuss the problem to arrive at a common approach which would consider the religious sentiments of the majority community while protecting the rights of the minority.

Meanwhile, Mr V.H. Dalmia, the working president of the VHP, has appealed to saner elements to get together and solve all the outstanding issues relating to the Ramjanambhoomi-Babri Masjid dispute amicably.

In a statement, Mr Dalmia pointed out that the demands of the VHP were not unreasonable by any standard. Since it had asked for the handing over of only three shrines out of the thousands that had been allegedly destroyed during the Moghul period.

"Is it too high a price to win the hearts of the Hindus?" he queries. He feels that the sentiments of the Hindus should receive due consideration.

Mr Dalmia appealed to the broad-minded leadership of the Muslim community to rise to the occasion and give up the path of confrontation.

According to him, the recent communal turmoil in the country was the handiwork of politicians and not of religious leaders. Pointing to incidents of communal amity in a few villages in Andhra Pradesh and Gujarat, Mr Dalmia stressed the need for keeping politicians out of the tangle.

Akali Dal-Mann Passes Resolution on Autonomy
46001154 Bombay THE TIMES OF INDIA
in English 12 Dec 89 p 1

[Text] Amritsar, Dec 11 (PTI). The Akali Dal (Mann) said that the political goal of its struggle is to attain an "autonomous region" with "self-determined political status within India."

"We want an autonomous region in India with Punjab and Punjabi-speaking areas of Haryana, Himachal

Pradesh and Rajasthan as boundaries of this region," the party said in a resolution adopted at a meeting yesterday evening.

This was the first meeting presided over by Mr Mann after his release this month.

The party spokesman, Mr Gurtej Singh, a former IAS [Indian Administrative Service], officer, said the Union government should not retain powers except in areas like defence, communications, foreign affairs and currency as contained in the Anandpur Sahib resolution.

Answering the question whether the militants and the All-India Sikh Students' Federation, which recently had defined the Sikh goal as attaining "Khalistan," would support the party goal, Mr Gurtej Singh said the resolution was adopted unanimously in the presence of the AISSF [All India Sikh Students' Federation] and Damdami Taksal representatives.

Despite repeated probe, Mr Gurtej Singh and other Akali leaders, who were present at the news conference, did not disclose the names of the Federation and Taksal leaders who were present at the meeting.

The party meeting was attended by working committee members, office-bearers, district presidents and newly-elected MP [Member of Parliament]s.

The party asked the MPs to file before the Parliament session the return of expenses and account incurred by them during election. They have been asked to give account of the money they collected for elections and the surplus funds contributed in the party fund.

Meanwhile, dissensions surfaced in the group when some senior members objected to the decision that the party's political goals was "struggle for an autonomous region."

The dissidents stated that the decision was not acceptable to the members because there was no point in retaining the goal which was included in the Anandpur Sahib resolution as the situation had changed after operation Bluestar.

They said the goal for achieving "Khalistan" was in fact clearly defined by the late Sant Jarnail Singh Bhindranwale.

About a dozen leaders, including three newly elected MPs, Mrs Bimal Kaur Khalsa, Mr Dhyan Singh Mand and Mr Jasdev Singh Khudiana walked out of the meeting when the proposal for the political goal was brought in for consideration, the dissidents said.

The dissidents also took strong objection to the appointment of Baba Joginder Singh as the party's "patron" saying the party [words illegible].

Earlier, Mr Gurtej Singh stated that the party president, Mr Simranjeet Singh Mann, was authorized to deal with

the directive issued by the Federation asking new MPs not to take oath unless some conditions were fulfilled.

Writer Analyzes Troubles Over Orissa Test Range

46001155 Bombay THE TIMES OF INDIA
in English 14 Dec 89 p 13

[Article by Sujata Patel]

[Text] On September 28, 1989, when more than twenty thousand people met at Harsud, in Madhya Pradesh, to show their solidarity with the oustees of the Narmada Valley Project, the name on everyone's lips was Baliapal.

This should not appear surprising, for Baliapal has caught the imagination of the people, whether at Harsud or around the country; not only because it is the only mass movement that we in India have seen in the recent past but also because it has squarely posed two fundamental problems that the country needs to take into account if it has to see a bright future for itself. First, in the name of development we have not only accepted displacement but have encouraged through the ideology of progress, the forced uprooting and migration of large sections of our population. By showing militant resistance to the establishment of the National Test Range (NTR), the Baliapal people have fundamentally questioned the state's intent and design, the process through which these are implemented and the ideology that articulates and sustains these processes. Second, because the project deals with the defence needs of the country, the agitation has posed questions regarding the nature of the project, the need of the project at this juncture of resource crunch, and our security risks in that context.

The Baliapal agitation carries with it the memories of results which the development projects have imposed on the people of Orissa. Orissa is a state which on one hand has obtained the largest proportion of development grants from the Center on the other hand, its agriculture has remained backward and its industry atrophied. The grants that have flowed into Orissa were meant to tap its natural resources—whether water, forests or mines or its geographical advantage—rather than develop the industries (until recently), or to commercialize its agriculture. Paradoxically, while productivity of rice, the staple crop of Orissa has decreased, money has flown to develop townships of capital intensive units like Rourkela which has attracted technical and professional personnel from all over the country, with the displaced being employed only as casual or contract laborers. They are often forced to migrate being de-skilled and marginalized. Additionally, rehabilitation programmes devised by the state were not evolved to encourage the reconstitution of the displaced community through a conscious participatory involvement of the people by protecting their rights to the land, resources and skills. As a result uneven growth of the economy and society became a characteristic feature of this state. Development in this context, has always meant displacement without a reintegration of its population in its economy and society. There are thus many many Rourkelas. We can think of the displaced

people of Hirakund and Rangali dam, those of NALCO and BALCO projects and those who have had to leave because of the defence establishments like Chilka Naval Academy, Charbatia Air Force base, Baintala ordnance factory, to name only a few. Nine out of thirteen districts of Orissa have such defence establishments. Most of these have displaced many people from their land. It is these memories that have fuelled the mass mobilization and militancy of the people of Baliapal.

The project National Test Range (NTR) was formally announced in July 1987, by the Chief Minister of Orissa Mr J.B. Patnaik, who later glorified it as the 'puja gift' for the people of Orissa. The NTR is a project which will research, test, and launch small, medium, intermediate and, possibly inter-continental missiles. With the Indian government already proud of its achievement in successfully firing Agni and now Prithvi, it is likely that the government pushes ahead to implement this programme, thereby displacing more than a lakh people from the two blocks of Baliapal and Bhogarai in the Balasore district.

The project envisages in its revised version acquisition of fifty five villages, forty two in Baliapal and thirteen in Bhogarai, covering one hundred sqm. This area forms the coast of the Bay of Bengal and the two blocks are divided by the Subarnarekha river. These two blocks are situated in the crescent-shaped coast of north Balasore, traditionally protected from the cyclones ravaging the coastal areas of Bengal, Orissa and Andhra Pradesh; this being one of the major reason for the selection of this site for the NTR project. Topographical and geographical attributes had hampered the growth of settled agriculture in this area until recently. On the one hand the continuous changes in the river belts and the receding of the sea has led to resettlement of entire villages leading to land disputes and on the other, the creation of new land area has attracted many new migrant groups increasing the density and pressure on land. Presently the density of the population per square kilometer stands at 441. Thus while this process had led to migration and opening up of this land area to the various families, making much of the rights relating to the land area unclear, this should not be taken to mean that settled agriculture has not been in practice in this area.

Historical records indicate that there are four cultivating castes who have had traditional access to the land. These are the Khandayats (Oriya equivalent of Kurmis and Kammas), the Rajus (Maharashtrian migrants settled after Shivaji's campaign) and the Golas and the Barajias (migrants from Bengal in late 19th century) who gained land right through the 1934 settlements. These migrations and the 1934 settlement increased the pressure on land and resultedly the Baliapal block today is spotted with medium sized land holdings with a very few large land holders. The average land holding size is between five to six acres.

Much of today's militancy in Baliapal can be traced to the growth and consolidation of medium and small

peasantry that occurred in mid-twentieth century but, what really gave fillip to this agitation was a development that incorporated even the non-cultivating castes into the peasant fold. These were mainly the fishing communities (Kevtos, Bhoomijas, Jhalis and Khejhalis) and the artisan castes of Sonars, Telis, Kumbhars, Barbers, Dhobis, Gopals and the lower castes of Domas and Hadis. These constitute more than fifty percent of the population. When they were incorporated into the peasantry with the introduction of the cash crop economy, Baliapal developed a new class of small and middle peasantry stretching over a large section of its population.

These changes occurred after independence but became significant only during 1960s when Baliapal block was introduced to cash crops like groundnut and cashewnut and specifically to betel vine or paan. Today Baliapal boasts of having five cash crops; rice, groundnut, cashewnut, coconut and betel vine; the last three being grown on homestead land. This fact is important because even the poorer groups in society, specially the non-cultivating castes can now cultivate these crops on homestead lands. More than any other crop, it is paan which has been helpful in giving high profits and high incomes to lower groups in Baliapal society. Baliapal shares with Bhogarai and Paradeep, a monopoly of 'banarasi patta'. More than seventy percent of the country's demand is being supplied by Baliapal. As a result, prices of paan in Baliapal has continuously increased; with the supply not keeping pace with the demand. In this situation the small homestead paan grower who is cultivating even in a .04 acre of land, will be earning as much as twenty thousand to twenty five thousand of rupees in addition to the income earned in the main occupation. In a significant proportion of the poorer groups it is fishing.

Fishing too has become commercialized with a large proportion of the Bengal market being supplied by the Baliapal fisherpeople. Fish prices have increased by one thousand percent in the last five years. This in addition to the money earned through paan has made the poorer groups in Baliapal convinced that any amount of compensation cannot replicate the returns that they get from this soil and its resources. It is this that has fuelled the militancy of the poor against the NTR project.

This militancy is reflected in the way that this struggle has evolved and grown in the last five years. Initially the Uttara Balasore Khepanastra Ghati Pratirodha Samiti (KDPS) the committee spearheading the agitation, was established by the Congress workers when the sitting MLA [Member of Legislative Assembly] of that area was a Janata Party member. It was the pressure put up by this Committee that led even Mr J.B. Patnaik claim during the 1985 March, assembly elections that the Congress Party, if elected, would ensure that the NTR project would not be located at Baliapal. However, once the Congress MLA candidate, Mr Yudhister Jena, won the seat in the 1985 elections, Mr J.B. Patnaik changed his stand. Thus a reconstituted KGPS took over the helm of affairs to lead the struggle. In its new form it had within

itself not only the Janata, Congress and the local Marxist-leninist groups, but also sought and got the support of CPI [Communist Party of India], CPI(M) [Communist Party of India-Marxist] and SUCI [Socialist Unity Center of India]. This, thus, is one of the rare agitations in this country which has obtained support from all mainstream political parties and groups.

It draws its strength from mass level mobilization which has incorporated individuals irrespective of class, caste, gender and age. It has effectively stopped the government from implementing the NTR project by putting up barricades on all approach roads into the area. These barricades were first put on March 1986. Women and children have been mobilized to guard the gates and to perform non-violent satyagraha whenever any government official other than that of the education and health departments attempts entry. Police presence has been nullified by the KGPS's supervision of the law and order machinery. As a result, the registered crime rate has decreased. Through the use of the institution 'vichar' the committee has been able to bring about consensus on land disputes.

For the last four years the people of Baliapal have held out against the government and in spite of cover and overt pressures have not broken their resolve. In the first two years the government put pressure covertly by distributing leaflets and through propaganda against the committee as also by stopping kerosene and sugar supplies. When neither of these interventions succeeded the government of orissa despatched seven thousand para military forces to enter into the area along with the Collector of the district. Seeing more than three thousand women and children lined up at the gate, the Collector had to ask the military to lower the guns. Since then, attempts have been made to create internal strife between the people in the area by dividing them on party lines. On 3rd and 4th September 1989 there was a major clash in Baliapal when the Congress-I MLA attempted entry with more than hundred supporters and insisted on holding a meeting. Clashes followed when efforts were made to stop this meeting. Hoodlums attacked both the Congress and Janata members who were supporting the agitation. This threat was averted with the committee seizing the initiative and confronting the hoodlums. From this process has emerged a stronger struggle. The committee has got reconstituted and restated its firm resolve to fight both government and the state Congress's divisive tactics.

The Baliapal-Bhogarai struggle has raised some fundamental questions. First, it highlights the problem of democratic functioning of our political institutions. Should not the displaced people be consulted directly and their wishes taken into account before a decision of such magnitude is taken? What are the criteria for selecting a site for a large scale project, like the NTR? Should these be restricted merely to the technical dimensions or should they also include the social and economic dimensions? Should such a naturally rich area which not only provides more than adequate livelihood for its

people but also generates incomes for the state of Orissa, steeped as it is in poverty, be taken over for such a project?

Second, a question can be raised relating to the nature of the project. The NTR will ultimately develop the technology necessary for launching and targeting missiles. It will be used not only to further the technology and production of medium range missiles, like Prithvi, but also intermediate missiles, like Agni and even inter-continental ones. Given the present level of software technology, it will be inefficient to use long range missile with conventional warheads. This implies that in all possibilities, nuclear warheads, may be used. This certainly raises a larger question relating to the nuclear orientation of our defence strategy. When the world over, there is move to denuclearize the military, can we afford to have a project which might contribute to nuclearization.

To conclude, when more than fifty percent of India's population live below the poverty line can we divert our scarce resources to a large project which is estimated to cost about three thousand and eight hundred crores of rupees.

The Baliapal struggle has raised these fundamental questions. Do we have the strength and the intellectual resources to solve them?

Work on Indian Space Launch Vehicle Described

46001151 Bombay THE TIMES OF INDIA
in English 11 Dec 89 p 5

[Text] Bombay, December 10. The Indian Space Research Organization (ISRO) is working on advanced launch vehicles, including air breathing systems and winged launchers, now at a conceptual stage.

According to Dr S. Srinivasan, ISRO's launch vehicle programme director, who was here for a seminar during the last week-end, major investments are being made on these systems in countries like the U.S., the USSR, Japan, Canada, France, Germany and Europe.

One of the major aspects to be noted in the space launch vehicle and spacecraft design and development profiles all over the world is the parallel planning for automated systems as well as manned presence in space, he said.

A space station, orbiting space platforms, space transportation systems for men and material and space materials processing are under different stages of development.

"In this race for utilization of the new found resources of space, we cannot afford to lag behind. While we are still developing the basic launch vehicles, conceptualization, imagination and planning for getting a fair share of the commercial space business should not be lost sight of. And this venture will have to be on a partnership basis with ISRO and industry," he said.

These projects emphasize the need for Indian industries to upgrade their facilities in order not to miss the opportunity of utilizing the resources in the 21st century.

The Indian space launch vehicle development programme has faced a unique problem. The entire work of design, technology development, fabrication, testing and qualification of the launch vehicle systems had to be an indigenous effort as published information on this sensitive technology was not available.

One exception to this was the development of the Vikas engine the technology for which was acquired during the ISRO's collaboration with two foreign agencies during the design phase of the European Ariane launch vehicle.

The remaining launch vehicle system, such as the heat shield, avionics, motor cases were developed indigenously, he said.

Today, more than 100 industries participate in the development of Indian launch vehicles.

The polar satellite launch vehicle (PSLV) to be launched from Sriharikota in 1991 is 44 m in length and the weight of the satellite it would be carrying would be one tonne. The geosynchronous launch vehicle (GSLV) planned for a later period would be 51.5 meters in length. Some of the new technologies it would be incorporating were miniaturized avionics system and the cryogenic system.

According to industrialists attending the seminar these projects indicated that India was poised for some major space programmes in the coming years.

One of the important projects was the Indian Satellite System (INSAT-2) project. The slightly jinxed INSAT-1 spacecraft procured from Ford Aerospace and Communication Corporation in the U.S. would be gradually replaced by the indigenous second-generation INSAT-2 spacecraft. Though the first set of INSAT-2 spacecraft would be launched abroad, these spacecraft would be launched abroad, these spacecraft, however, were being designed for launching them in India by the GSLV at a later stage, he said.

In his presentation, the INSAT-2 test spacecraft project director, Mr P. Ramachandran, said that as INSAT-2 would have bigger service capabilities than INSAT-1, they would be about 50 percent heavier than their predecessor.

The significance of the INSAT-2 project was that it emphasized that the country was committed to have the operational space systems for communications, television and meteorological services. He said that while the spacecraft's design was at the ISRO, some public sector undertaking like the Hindustan Aeronautics Limited (HAL) had contributed to its development.

While electronics for the INSAT-2 programme accounted for about half of the total cost of the satellite project "almost the entire requirements of electronic parts and equipment are still imported and fabrication

carried out in house except for some of the printed circuit fabrication works which have been carried out by small-scale industries": he said.

He, therefore, felt that there was still scope for the industry to supply electronic parts for use in the spacecraft.

Mr Ramachandran said that the Indian industry had contributed to some extent in setting up the infrastructure for the INSAT-2 programme. But still, a large number of equipment such as vibration equipment and simulators were imported, he said.

According to Mr R. Madhavan, had programme planning and evaluation division, ISRO satellite center in Bangalore, the ISRO sought the cooperation of the industry in the supply of materials, fabrication of electronics, supply of ground equipment and facilities and supply of computer systems.

He said that the ISRO attempted to strengthen its links with the industry through technology transfer developed by its own research and development groups, consultancy and providing facilities for qualification of prototypes.

The group director (manufacturing), liquid propulsion systems center, Trivandrum, Mr K. Kasiviswanathan, said that the development of liquid propellant systems played a significant role in the development of satellite launch vehicles and spacecrafts.

The liquid propulsion systems were reliable, flexible and provided good performance, he said.

In a paper on propellants referring to the ISRO's launch vehicle development programme, Mr K.S. Sastri and Dr V.N. Krishnamoorthy of the Vikram Sarabhai Space Center, Trivandrum, said that the present programme of launching the PSLV was a major challenge for the propellant and chemicals sub-systems development.

"Space technology extends many opportunities and inter-disciplinary challenges and must be met if we are to remain competitive and self-reliant in an increasingly technological world," they said.

A paper prepared by Mr Ravindra Babu, scientist, National Remote Sensing Agency, Hyderabad, said that the Indian remote sensing programme for the management of the country's natural resources and environment gave an opportunity for industrial involvement.

The paper stated that the activities of the Indian remote sensing programme were expected to increase in the coming years.

Mr K. Vishwanathan, deputy project director, polar satellite launch vehicle, said that the tower for launching the vehicle was nearing completion. The tower was provided with platforms at various heights to approach

the different levels of the PSLV. It is 76 meters tall, weighs 3,200 tonnes and moves on a 200-meter long twin rail track.

IRAN

Geological, Mining Ventures Planned With Czechoslovakia

90OI0117F Tehran ETTELA'AT
in Persian 11 Dec 89 p 13

[Text] Economic Service—The deputy minister of the Ministry of Metallurgy and Heavy Engineering of Czechoslovakia and the accompanying party yesterday morning met and exchanged views with Dr. Shams-Ardakani, deputy minister of Economic and International Affairs of the Ministry of Mines and Metals.

According to a report by the public relations office of the Ministry of Mines and Metals, in this meeting both parties discussed joint cooperation in the area of geological discoveries and mining ventures. Furthermore, the concerned parties exchanged views concerning economic and technical cooperation between the two countries.

Expansion of Commercial Ties With Yugoslavia Planned

90OI0117H Tehran ETTELA'AT
in Persian 10 Dec 89 p 4

[Text] Mr. Trajko Trajkovski, the Yugoslav ambassador to Iran, yesterday morning met and talked with Dr. Nurbakhsh, the minister of economic affairs and finance.

At this meeting, the Yugoslav ambassador, on behalf of the Yugoslav minister of energy and industry, expressed his gratitude for the sincere reception by Dr. Nurbakhsh on the occasion of the eighth anniversary of the joint session of the two ministers of both countries and wished an ever-increasing expansion of commercial and economic ties between the two nations.

In response, Dr. Nurbakhsh while describing the existing economic relations between the two countries, expressed his hope that during 1990 all the agreements reached by both parties in the memorandums of understanding might come to pass.

Expansion, Development of Mines Discussed With France

90OI0117G Tehran ETTELA'AT
in Persian 11 Dec 89 p 13

[Text] Mr. Christian Dumille, French ambassador to Tehran, met and exchanged views with Dr. Shams-Ardakani, deputy minister of economic and international affairs of the Ministry of Mines and Metals.

According to IRNA [ISLAMIC REPUBLIC NEWS AGENCY], quoting the public affairs office of the Ministry of Mines and Metals, at this meeting both parties discussed joint cooperation in the area of metal and nonmetal minerals such as strontium, feldspar, and other minerals. Furthermore, both parties exchanged views in the area of joint cooperation with regard to the expansion and development of mines and the training of the specialists as well.

Tax Revenues To Play Major Role in Reconstruction

90OI0117E Tehran ETTELA'AT
in Persian 11 Dec 89 p 2

[Text] Hamadan—IRNA [ISLAMIC REPUBLIC NEWS AGENCY]: In the five-year development plan, more than 50 percent of the total allocations necessary for the reconstruction of the country will be secured by the Ministry of Economic Affairs and Finance through tax revenues.

In an interview in Hamadan, yesterday afternoon Mr. Mahmudi, deputy director of administrative and financial affairs of the Ministry of Economic Affairs and Finance, made the above statement.

According to a report by IRNA, he stated: In order to achieve an increase in tax revenues, the income level of the Ministry of Economic Affairs and Finance has to increase by 120 percent annually.

He further said: For the purpose of attaining this goal, it is planned that our tax collection system will be carried out in a more popular manner, whereby the phenomenon of self-expression among our tax payers will be expanded. He also added: Furthermore, in order to obtain more precise information regarding the true income level of tax payers, in the future the income level of all tax payers will be checked thru direct supervision of the distribution and trading affairs system.

While indicating that the new tax laws have been put into execution this year, he also predicted that there will also be some changes in the said laws as well.

The deputy director of administrative and financial affairs of the Ministry of Economic Affairs and Finance emphasized the role of a trusted accountant placed at the local governmental organizations as very effective in attracting correct and proper allocations, and further indicated that the work of such accountants who have been placed on duty as of the beginning of the current year was quite satisfactory.

Here it should be noted that the deputy director of administrative and financial affairs of the Ministry of Economic Affairs and Finance, who had traveled to Hamadan in order to introduce that provinces new general director of Economic Affairs and Finance, also separately met with the representative of the vali-ye

faqih [supreme jurisconsult], the Friday imam of Hamadan, and the governor-general of that province as well.

215 Hospitals, Clinics To Be Built Throughout Country

90OI0117A Tehran ETTELA'AT
in Persian 10 Dec 89 p 4

[Text] Shiraz—In order to secure the welfare of the insured individuals of the Social Welfare Organization, 96 hospitals and 119 clinics will be built throughout the country by the aforementioned organization.

According to IRNA [ISLAMIC REPUBLIC NEWS AGENCY], yesterday morning Mr. Bayat, deputy director for the supervision of provincial affairs of the Social Welfare Organization, made the above statement at the inauguration ceremonies of the newly established social welfare building of Fars Province.

He further added: The start-up operations for 30 hospitals have already begun and a number of the clinics are near completion as well. He also stated: One of our programs within the five-year plan calls for the construction, completion, and continuation of the work of the hospitals and clinics of the Social Welfare Organization, of which the necessary credits for these projects are allocated at a special commission on an annual basis.

The deputy director for the supervision of provincial affairs of the Social Welfare Organization also indicated that at the present time about 2.5 million insured individuals are covered by the aforementioned organization, and if we take into account the members of the immediate families of the insured individuals the total number will reach about 10 million.

He also said: With the implementation of the new plan for the insurance of the free trade and other similar professionals, the number of the insured individuals throughout the country will be considerably higher.

With regard to the payment of the insurance plans which have reached maturity when the holders of such plans decide to retire, he said our colleagues are trying to find alternative channels to reimburse such individuals, otherwise we will have to compensate these people by cash payments.

The deputy director for the supervision of provincial affairs of the Social Welfare Organization, once again emphasized the expansion of the existing units of the organization, construction of hospitals and clinics, mechanization of the entire system, and proper investment in the production sectors of the said organization as the most important programs for the next five years of this organization.

According to this report, at the inauguration ceremonies of the new social welfare building of Fars, where the governor general of Fars, Dr. Sho'leh Sa'di, representative of the people of Shiraz in the Islamic Consultative

Assembly and a number of other executive directors were present, the general director of the Fars social welfare made a speech whereby he enumerated the activities of his organization.

Production, Equipment of Sugar Factories Surveyed

90OI0117B Tehran ETTELA'AT
in Persian 10 Dec 89 p 4

[Text] Mashhad—With the execution of the reconstruction and replacement plan of the machinery at the Abkuh Sugar Factory of Mashhad, the production capacity of this unit will be increased from 1750 tons a day to 2500 tons.

The machinery reconstruction and replacement plan of this factory, which was approved during the recent trip of the minister of industries to Mashhad, will soon be prepared and presented to the Ministry of Industries.

This statement was revealed at a meeting where Mr. Ne'matzadeh, minister of industries, and several other directors of the sugar industry of Mashhad were present.

Here it should be noted that as a result of 50 years of operation, some of the machinery of the Abkuh Sugar Factory have become quite worn and obsolete and produce only at 70 percent of the nominal capacity of 2500 tons, thus making the process of reconstruction and replacement an inevitable matter.

Large Industrial Areas To Be Established in Provinces

90OI0117C Tehran ETTELA'AT
in Persian 10 Dec 89 p 4

[Text] Mashhad—In order to centralize industries in the industrial complexes, according to the recently sanctioned laws ratified by the cabinet ministers, seven large industrial areas will be created in the various provincial centers and cities of the country.

The managing director of the country's industrial companies, who had traveled to Mashhad, yesterday in an interview with IRNA [ISLAMIC REPUBLIC NEWS AGENCY] stated: These industrial areas will be established in Kerman, Hamadan, Mashhad, Gonabad, Neyshabur, and the central province as well. According to this ratified bill, two new industrial areas will be created in the central province.

He further added: At the present time, all the necessary studies with regard to the selection of a site, securing of water and power have been completed and after proper preparation and delineation of the lots, assignment process of the said plots will be carried out accordingly.

With regard to the peculiarities of the industrial areas, he said: In order to prevent decentralization of the industries, the Ministry of Industries is determined to offer more favorable incentives to the units which are created

in these industrial areas—some portions of these favorable incentives will soon be announced.

He also went on to say: In the plan for the expansion of industrial areas, 120 points throughout the country have been taken into consideration, of which 40 industrial areas have either been created in the large cities or the land for such development have been assigned to the applicants.

Shahrud Cement Factory Shares Offered to Public

90OI0117D Tehran ETTELA'AT
in Persian 10 Dec 89 p 13

[Text] Shahrud—For the purpose of the general public's participation in investment in the country's industrial production, until now more than 140 million tomans worth of shares of the Shahrud Cement Factory have been offered to 4000 applicants.

The managing director of the Shahrud Cement Factory, in an interview with IRNA [ISLAMIC REPUBLIC NEWS AGENCY], while making the above statement also added: Taking into account the shares of the Mellat Bank, which amount to about 40 percent of the total investment of this factory, at the present time more than 2.2 billion rials capital of this factory have been secured and duly paid.

Mr. Mozahari stated: According to the approval of the managing director of Mellat Bank, the shares of the Shahrud Cement Factory which are presently offered by the branches of Mellat Bank in various cities of Semnan Province to the government employees, will soon be available through branches of this bank throughout the country as well.

Thereafter, while stating the fact that the first phase of the joint-stock investments of the factory is four billion rials, he pointed out: The remaining shares to be offered to the public is about 400 million rials and the rest of the shares will be similarly offered to the general public in future years.

PAKISTAN

Jatoi Advised To Seek People's Verdict Against Bhutto

90OI0106B Lahore NAWA-I-WAQT
in Urdu 15 Dec 89 p 13

[Article by Ibnul Hasan entitled, "First Breathe Life Into the Clay Form" under byeline "A Partenthetical Sentence."]

[Text] Ghulam Mustafa Jatoi, the leader of the opposition in the national assembly, has demanded that a commission composed of two judges of the supreme court be established to hear charges of malfeasance brought against Prime Minister Benazir Bhutto, her relatives, and her ministers and to hand down a decision. Mr. Jatoi said that he accepted the prime minister's

challenge that anyone who wished to bring charges of corruption against her, the members of her family, and her cabinet should take these charges to court. Mr. Jatoi is now gathering the necessary evidence regarding these irregularities and if the judicial commission that he wants is formed, he will bring before it the charges as well as the evidence. Mr. Jatoi is an experienced politician. Because of his balanced and stable personality, he has been able to maintain relations with circles belonging to different schools of thought and it is also the reason why, in spite of his Pakistan People's Party [PPP] background, all the parties belonging to the opposition elected him as their leader in the parliament. Recently, when a motion of no confidence was announced in the center against the ladies and gentlemen in office, the opposition unanimously nominated Jatoi as their choice for prime minister, and he would have become premier if the motion had been carried. Over the last three decades, Jatoi has been both in and out of office, but when in office, he did not adopt the proud and unreliable behavior of the other PPP leaders; nor when out of office, did he conspire with the enemies of Pakistan as did these other ladies and gentlemen of the PPP. He did not go into voluntary exile and make the rounds of Delhi, Kabul, Moscow, Damascus, and Tripoli in order to obtain backing and money for his conspiracies, nor did he take up residence in London, Paris, and Washington and mislead foreign public opinion about Pakistan. He did not conspire with saboteurs and professional criminals in Pakistan and use them to further his own political objectives. Mr. Jatoi joined the member parties of the movement for the restoration of democracy and participated in the legal policy and national struggle of the opposition. He took part at all times and stayed in the forefront of every national movement for democracy which did not harm the country's interests and honor. In view of this background, it was surprising to hear his statement mentioned above. How could it be possible that, as the verse goes, the protagonist was defeated with such ease? In other words, the prime minister made a meaningless statement on the spur of the moment. When the opposition introduced a motion of no confidence and made speeches accusing the prime minister, her relatives, and her ministers of malfeasance and fraud, there was not much the prime minister could say in reply. But aware that the whole country was listening to her and watching her on television, she answered spiritedly that anyone who levelled such accusations should prove them in court, then he would see what action she would take against those who were proved guilty. Her statement created a dramatic effect, but at the same time, her statement was unjustified and shirked the government's responsibility. It is obvious that when any charges are made from a political platform, it is the responsibility of the accused to prove that the accusations are false. It is not the responsibility of those bringing the charges to investigate, enquire, gather evidence, present them in court and have them proved, then wait to see whether the government punishes the culprits. What takes place in politics takes place in the people's tribunal. As the saying goes, the story of the land

is acted on the land. As the verse says, the tongue may keep quiet, but the dagger hidden in the sleeve will cry blood. Political rivals do not use the courts to defeat their rivals, for that serves no purpose. Courts have their own methods, regulations, and laws. What would be the result of appointing a commission of supreme court judges? First, the powers, jurisdiction, considerations, etc. of the commission would be determined. The commission would need travelling and living expenses, allowances, etc. to hold hearings in different parts of the country. An estimate of the expense budget would be prepared. The *amicus curiae*, the friends of the court, and the lawyers would demand their separate fee. The witnesses would have to be reimbursed their expenses. The opposing sides would persuade the witnesses to deviate from the truth and give false testimony. There would be further expenditure on this by both sides. The court hearings would last a year and a half or two. There would be legal hair splitting. The people would never find out who said what and why, who was punished and why, and who was exonerated and for what reason. As the saying goes, it would not be a complaint but a show. In our neighboring country India, Rajiv Gandhi, who succeeded his mother five years ago as prime minister of India and who was at that time known as "Mr. Clean", after a year and a half of political battle, left office as "Mr. Corrupt." His close associates and advisors were all disgraced and defeated in the elections. The whole country is raising the cry of "thieves, thieves," and shaming them. Observers think that sooner or later the Congress party will return to office, but "Mr. Clean" will never be able to become prime minister again and to bring this about, his rival, Mr. Vishvanath Pratab Singh who is now the prime minister of India, did not have to knock on the door of any tribunal, gather evidence, or demand the establishment of a judicial commission. He went straight to the people and, in a year and a half, created a situation that, according to the Indian periodical *INDIA TODAY*, "When V. P. Singh asks any gathering in even a remote part of India, who is the biggest agent of plunderers and bribetakers, the audience replies with one voice, Rajiv Gandhi. When V. P. Singh says that the tax levied by the government on a box of matches is not spent on the development of the country and the welfare of the people, but goes instead to the secret Swiss bank accounts of Rajiv Gandhi, his wife, and father in law, the audience cries, shame, shame. When V.P. Singh mentions the malfeasance, theft, and plunder in the so-called welfare plans of the Congress government and the fraud in the Panchayat system, the audience expresses great sorrow and anger." As the leader of the opposition, Mr. Jatoi has a rare opportunity to achieve political credibility. If he wants to, he can take advantage of this opportunity. If he is in a hurry and hopes to obtain the premiership as a reward for his reputation for kindness and decency, then that is his business. But if he really wishes to emerge as a leader of the people and wants to gain their confidence, then the opportunity to do so does exist and is clearly discernable. As the verse says, "Prove your love by your deeds; mere protestations have no place in my logic."

Kashmiri Muslims Urged To Take Action for Liberation

90OI0106A Lahore NAWA-I-WAQT
in Urdu 15 Dec 89 p 13

[Editorial entitled, "Kashmir, The Need for Practical Action"]

[Text] The Indian government had to fall to its knees to bring about the release of the daughter of Mufti Sa'id, the Indian interior minister. In exchange for her freedom, the Indian government had to release five Kashmiri freedom lovers. Thus, after a long time, an effort of the Kashmiri freedom lovers has met with logical success. The kidnapping of a young woman, herself a Kashmiri Muslim and a doctor, aroused mixed emotions and was regarded in some circles as terrorism. However, when all avenues of peaceful efforts to attain freedom are blocked, it becomes necessary to use force, for without such force, the objective of freedom becomes impossible to achieve. Kashmiri Muslims have heard taunts from all over the world to the effect that they are not interested in their own freedom and that they have accepted slavery to India as a fact of life. India has taken advantage of this weakness of the Kashmiri Muslims to establish control, by aggression, on Kashmir, and the Indian rulers regard it as an inseparable part. Last year, Rajiv Gandhi declared, on Pakistan's soil, that a referendum had already been held in Kashmir and that Kashmiri Muslims had expressed their decision in the Indian elections, and that decision was to remain as a part of India. By refusing to participate in the recent elections in India, Kashmiri Muslims dispelled that illusion from Rajiv Gandhi's mind. By starting an active struggle, Kashmiri Muslims have shown the world that they have risen up to achieve their freedom. The fact remains that as long as the Kashmiri Muslims do not take direct action, no effort from outside will succeed in restoring their rights. Pakistan has helped its Kashmiri brothers to the extent of its abilities. In 1948, with the help of tribal forces, Pakistan liberated a part of Kashmir. In 1965, first by guerrilla activity and later by military action, Pakistan tried to liberate Kashmir, but owing to an all-out war with India, Pakistani troops were unable to continue their advance. Undoubtedly, the rare and golden opportunity for Kashmir's liberation occurred in 1962, when India got into a war with China over the NEFA [North-east Frontier Agency] border. But Pakistan's leadership proved incapable of making a decision, and this opportunity was lost. For some time now, the government of Pakistan has forgotten even Kashmir's name. General Ziaul Haq, the former president and martial law administrator, would refer to Kashmir only when forced to do so. Only Mohammad Khan Junejo, the former prime minister, had the courage to lift his voice occasionally on behalf of Kashmir on national and international platforms. During the SAARC [South Asian Association for

Regional Cooperation] conference, the present administrations sought to please the Indian government by removing the "Kashmir House" signs from Islamabad's streets and all news relating to Muzaffarabad disappeared from the television news broadcasts. At any rate, seeing public protests from all sides, Benazir Bhutto amended her policy, and in her meeting with King Fahd, during a private tour of Saudi Arabia, she discussed the problem of Kashmir. Also, in her trip to the United States, the prime minister brought up the Kashmir issue. In the conference of the leaders of nonaligned nations, Begum Nusrat Bhutto, who represented Pakistan, raised the Kashmir problem. But now, silence has descended once again. After the change of governments in India, our foreign office has unnecessarily adopted a policy of caution. On the other hand, a section of public opinion is showing itself to be even more liberal than Khushwant Singh and certain "independent" newspapers have expressed this opinion: "Three generations of our people have grown old under the illusion that Kashmir is a part of Pakistan. We have not been able to accept the fact that, for the last 40 years, Kashmir has been a part of India nor do we realize that though blood may be spilled over disputed territory, it cannot be taken." What can one call such thinking other than intellectual anarchy. The fact is that the United Nations regards Kashmir as disputed territory and its future can be decided only by means of free and unbiased elections held under the supervision of the United Nations. The other approach is for the Kashmiri Muslims to stand up for their freedom and throw off the yoke of Indian slavery. The people of Afghanistan carried on a jihad for ten years against a superpower, Russia, and forced its superior military forces to withdraw. The people of Namibia gained independence after a bitter struggle. For the last 40 years, the people of Palestine have waged Jihad for freedom and now their right to freedom has been duly recognized by the brotherhood of nations. A wave of awareness has swept over the countries of Eastern Europe and the people, long imprisoned in the clutches of communism, have taken their destiny into their own hands. The destruction of the Berlin wall is a lasting example of national determination. The Khushwant Singhs in our own ranks keep frightening us that any mention of the Kashmiris will trigger the massacre of Indian Muslims, but that argument offers no solution nor is it based on logic. The massacre of Indian Muslims is a continuing historical fact. As long as there remains even a single Hindu in this region, he will continue to shed Muslim blood. The only way to prevent this bloodshed is to make Pakistan, as a country and a nation, strong and stable. As for the future of Kashmir, that depends on the attitude of the Kashmiri Muslims themselves. If they stand up for their independence, then not only Pakistan but all the freedom loving nations of the world will stand behind them. This is a dangerous road which demands sacrifice, but it also assures success.

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